

# Sustainability report 2022



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# Cromaris CEO foreword



“Think globally, act locally” is a well-known saying that can be used to describe Cromaris’ business and the progress made in 2022. We are the leading Croatian and the world’s sixth white fish producer. With our tradition and accumulated knowledge, pioneering ventures and production innovations, systematic investments in state-of-the-art production and processing capacities, and commitment to sustainable aquaculture, we prove ourselves to be an important regional and national economic operator and an important partner in the development of mariculture and marine science globally. At Cromaris, we are aware of global trends, especially those related to mariculture, such as the reduction of natural fish stocks and increased demand for farmed fish, as well as raising awareness of the

origin of fish and farming conditions. The impact of climate change is increasingly pronounced, as well as biodiversity degradation, numerous problems related to pollution and waste, energy instability, and accelerated decarbonisation, etc. As we continued to cope with the consequences of the coronavirus pandemic, we faced new adverse events in 2022. The war in Ukraine, the energy crisis, the disruption of supply chains, and inflation are negatively affecting the world economy, including Cromaris’ business, and putting many challenges before the company. At the same time, all this also represents an opportunity if we recognise it in a timely manner and respond adequately. Cromaris’ success in managing all these risks is reflected precisely in the continuity of growth of all business indicators,

with an even stronger commitment to sustainable mariculture and progress in all three key areas – environmental, social, and governance (ESG), of which we are very proud and which we discuss in more detail in the following chapters. Cromaris was founded by Adris grupa in 2009. In 13 years, sales have increased 13 times and revenue 17 times. The previous period in Cromaris was marked by the growth of production and exports, the opening of new EU markets, the cultivation of new species, and other production innovations, with continued investment cycle worth more than HRK 1.5 billion so far. We are still the fastest growing company in the Mediterranean fish industry. We ended the challenging 2022 with sales of 13,444 tonnes of fresh fish equivalent, up 8% compared to the previ-

ous year. Volume growth of 10% was achieved in the export markets, primarily due to strong growth in the markets of Italy and Spain. Cromaris continues to achieve a high share of sales on foreign markets – 88% of volume sales and just as much sales revenue. Fresh fillets and the newly bred species – the dentex, of which we are still the only producer in the world – recorded the greatest growth in the portfolio of differentiated products, which accounted for 34% of the revenue in 2022. In addition to the volume growth, we also recorded an increase in prices, on average by 9%. Cromaris’ sales revenue amounts to HRK 721 million, which is an increase of 18%, and earnings before interest, taxes, depreciation, and amortisation (EBITDA) amount to HRK 83 million, which is an increase of 24%.

Net profit amounts to HRK 18 million and is 39% higher than last year.

With a sustained continuity of growth, we have been systematically working for several years on becoming a climate-neutral and socially responsible company. Commitment to sustainability is becoming an integral part of corporate culture and business strategy. In 2022, work continued on further defining Cromaris' strategic ESG determinants and goals (as part of its own sustainability strategy and within the ESG strategy of Adris grupa), and on establishing an effective ESG organisation at all levels of the company. Among other things, this refers to the constant increase in the amount of organic fish (Cromaris' strategic business goal is to become the largest producer of organic Medi-

terranean white fish in the world by 2025), turning to sustainable energy sources, introducing the principles of the circular economy, using fish feed and raw materials from sustainable sources, completely eliminating antibiotics in production, protecting biodiversity and marine ecosystems, initiating and engaging in activities that contribute to the development of communities and society in which we operate. Success in implementing sustainable practices is also confirmed by the relevant and very demanding certificates that Cromaris possesses, in particular the ASC (Aquaculture Stewardship Council), which guarantees customers that the fish is produced in a socially and environmentally responsible manner. Cromaris is the first (and only) company in EU mariculture to certify all its production sites according to

the ASC standard as early as 2019. In line with the obligations arising from the EU regulatory framework for sustainable finance, we assessed the eligibility and compliance of Cromaris' activities with the EU Taxonomy this year as well. We also emphasise the establishment of a preliminary ESG risk monitoring system at all levels of the system and stages of the production process. We have also been calculating our carbon footprint for the third year in a row (in Scope 1 and 2, with preparations for Scope 3), as well as implementing the necessary measures, and we are already recording their positive effects. Aquaculture is one of the industries with the least greenhouse gas emissions and the most efficient production of animal protein as food. The new Cromaris photovoltaic (PV) power plant on the roof of

the spawning facility in Nin also represents a more significant shift in the direction of reducing emissions and turning to renewable energy sources. It began operating at the end of 2022, with full effect expected in 2023. Following the positive efforts of previous years, in 2022 Cromaris continued the good practice of waste prevention, separation and reuse, and recycling of certain types of waste. We also implement the principles of circular economy by finding ways to process by-products of processing and turn them into valuable raw materials in other industries.

We are one of the largest employers in the Zadar County, with an average of 600 employees, and even more during the season. Our employees are our greatest asset. We operate in an environment with a long

tradition of occupations related to the sea, and modern trends and development vision put before us the challenge of systematic development of personnel with specific knowledge. The emphasis is on hiring workers from the immediate environment, especially from the islands, as this boosts the development of small and often isolated communities and the retention of people on the islands. We take our role in supporting education and training in the field of mariculture and marine science very seriously because, in addition to affirmative action and introducing young people to career opportunities in mariculture, we believe that our business, innovative projects, research and experience significantly contribute to the development of industry in general. This was recognised

by a number of domestic and global scientific and educational institutions, with which we also cooperated intensively during 2022. Cooperation with scientific institutions also enables involvement in a number of important EU projects, which places Cromaris at the very top in research and development of new technologies and knowledge in mariculture. We believe that the company must be actively involved in community development, preserving lasting values and raising the quality of life, and encouraging positive change. We are actively involved in numerous socially useful projects and activities, primarily in the area of the Zadar County, as well as beyond. Thus, for example, at the beginning of 2022, when the Russian aggression against Ukraine began, we donated ten tonnes of our prod-

ucts. The shipment worth more than half a million kuna was delivered to Kharkiv in the far east of Ukraine in cooperation with the Croatian Red Cross. In our socially responsible programmes, we continue to pay special attention to encouraging ecological awareness of children and awareness of healthy nutrition, which includes quality fish of controlled origin. Various thematic activities, workshops, and projects are organised, with donations of equipment to schools, kindergartens, and libraries. We actively connect with local and regional self-government units, listen to their immediate needs, so we invested in public infrastructure in the municipalities of Iž, Tkon, and Sali once again during 2022. We cooperate with tourist boards in organising various events with the aim of promoting

local heritage, customs, and traditional recipes of seaside cuisine, thus helping them escape oblivion.

In cooperation with the locals and services on the islands, we have been conducting regular volunteer campaigns of cleaning the coast and the sea at various locations on the islands near Cromaris farms for two years. We also promote a healthy and active life by supporting sports clubs. For the second year in a row, we have been sponsoring the Zadar Basketball Club (KK Zadar), and in 2022 we became a sponsor of the Football School of the Croatian Football Club Zadar (HNK Zadar), while also sponsoring numerous sports events in the wider Zadar area, in which our employees are often included.

Cromaris operates in an environment with a long tradition of living at and from the sea. This is where we live and work, where our children grow up and mature. While maintaining profitability and business stability, our commitment to taking all necessary steps to protect key natural and other resources for generations to come is equally important. In doing so, we remain engaged and open to collaborating with key stakeholders, sharing knowledge, and working together to find solutions for more sustainable business practices and a more conscious, "greener", and humane society.



Who are  
we?



# Company profile

## GRI 2-1, GRI 2-2

### **Cromaris**

CROMARIS j.s.c. is the leader in Croatian mariculture and the sixth company in the world in sea bass and sea bream farming. It is recognised as a leader in freshness and superior product quality, as well as innovation and sustainable business. Zadar-based Cromaris was founded by merging several smaller domestic fish farming and processing companies in 2009 as part of Adris grupa, which thus stepped into the field of mariculture and white fish farming. More than 1.5 billion kuna was invested in the development of Cromaris, which resulted in strong growth of all

business indicators, opening of new markets, expansion of the production portfolio, and further technological and production improvements.

Since the foundation of Cromaris in 2009, production has increased more than 13 times. Cromaris' business is sustainable and globalisation-resistant, while changes in consumer habits in the direction of increasing commitment to a healthier lifestyle will constantly increase the value of healthy food activities.

It is a highly export-oriented company that generates 88% of its volume sales and the same amount of sales revenue on foreign markets. It exports to the majority of EU

markets, the majority to Italian, and more recently to Spanish, which is the world's second most important white fish market after the Italian.

### **Cromaris Italia**

Italy is Cromaris' main sea bass and sea bream market, so in 2013 Cromaris j.s.c. founded the Italian company Cromaris Italia. Cromaris Italia s.r.l. is 100% owned by Cromaris j.s.c., and its registered office is located in the municipality of Casale sul Sile, in the province of Treviso, Italy. It is the sole importer of Cromaris products for all Italian customers, ensuring a strong market presence and daily cooperation with Cromaris customers and consumers.

### **Cromaris j.s.c.**

Gaženička cesta 4b,  
23 000 Zadar, Croatia  
Phone: +385 23/254-960

### **Cromaris Italia s.r.l.**

Via delle Industrie n 2/1  
31032 Casale sul Sile TV, Italy  
Phone: +39 0422 786 948

Website: [www.cromaris.com](http://www.cromaris.com)



## Vision

Leading producer of organic Mediterranean white fish and one of the top 3 producers in the EU, recognised as a leader in premium quality, sustainability, innovation, service level, and commercial excellence.

## Mission

Developing and spreading the culture of healthy and balanced diet and consumption of Mediterranean fish and fish products.

## Goals

Self-sustainable operations and an important contribution to the profitability and image of Adris grupa.

## Sustainability reporting in Cromaris

### GRI 2-3, GRI 2-5

Cromaris sustainability reports have been published on the company's website since 2021. The reporting period includes one calendar year beginning on 1 January and ending on 31 December. The data of the first published Cromaris sustainability report refer to 2020. This Sustainability Report covers 2022. For ease of reference in the report, the GRI indicators are associated with relevant data and topics to which they refer. In accordance with the amendments to the 2021 GRI

standard, an adjustment of the scope of reporting and labelling was made. For additional guidance, the GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 was also used. It is officially in force for the preparation of reports or other materials published after 1 January 2024. External verification of the Sustainability Report has not been performed for 2022.

Contact for questions related  
to the Sustainability Report:  
[info@cromaris.hr](mailto:info@cromaris.hr)



## Management structure and composition of management bodies

### GRI 2-9

#### Cromaris management structure

The foundation of the stability and long-term success of Cromaris is a recognisable, clearly defined corporate structure, and good corporate governance. Cromaris continuously evaluates and upgrades the corporate governance rules to balance the company's operations with the owners' interests, interests of the stakeholders involved and of the community as a whole.

The corporate governance structure is based on a two-tier system consisting of the Supervisory Board and the Management Board of Cromaris. The Supervisory Board, the Management Board, and the General Meeting are the three fundamental bodies in accordance with the Articles of Association and the Companies Act. Their scope

of action, management authority, and responsibility are regulated by the relevant Croatian legislation, the Articles of Association, and internal acts.

The General Meeting elects members of the Supervisory Board for a term of four years, while the Supervisory Board appoints members of the Cromaris Management Board for a term of up to four years. The Management Board and the Supervisory Board are composed in such a way that the combination of skills, knowledge, and education, as well as the professional and practical experience of the members, ensures the effective performance of strategic, operational, and supervisory tasks, encourages an open and constructive discussion and the adoption of independent and objective decisions. Composition of the Management

Board of Cromaris j.s.c. on 31 December 2022:

- Ivan Leko, President of the Management Board
- Dane Desnica, Member of the Management Board

Composition of the Supervisory Board of Cromaris j.s.c. on 31 December 2022:

- Hrvoje Patajac, M.Sc., President of the Supervisory Board
- Vitomir Palinec, Vice President of the Supervisory Board
- Marica Šorak-Pokrajac, PhD., Member of the Supervisory Board
- Gordana Berović Baketić, Member of the Supervisory Board (employee representative)
- Vjekoslav Prenner, Member of the Supervisory Board



IVAN LEKO



STIPE ANUŠIĆ

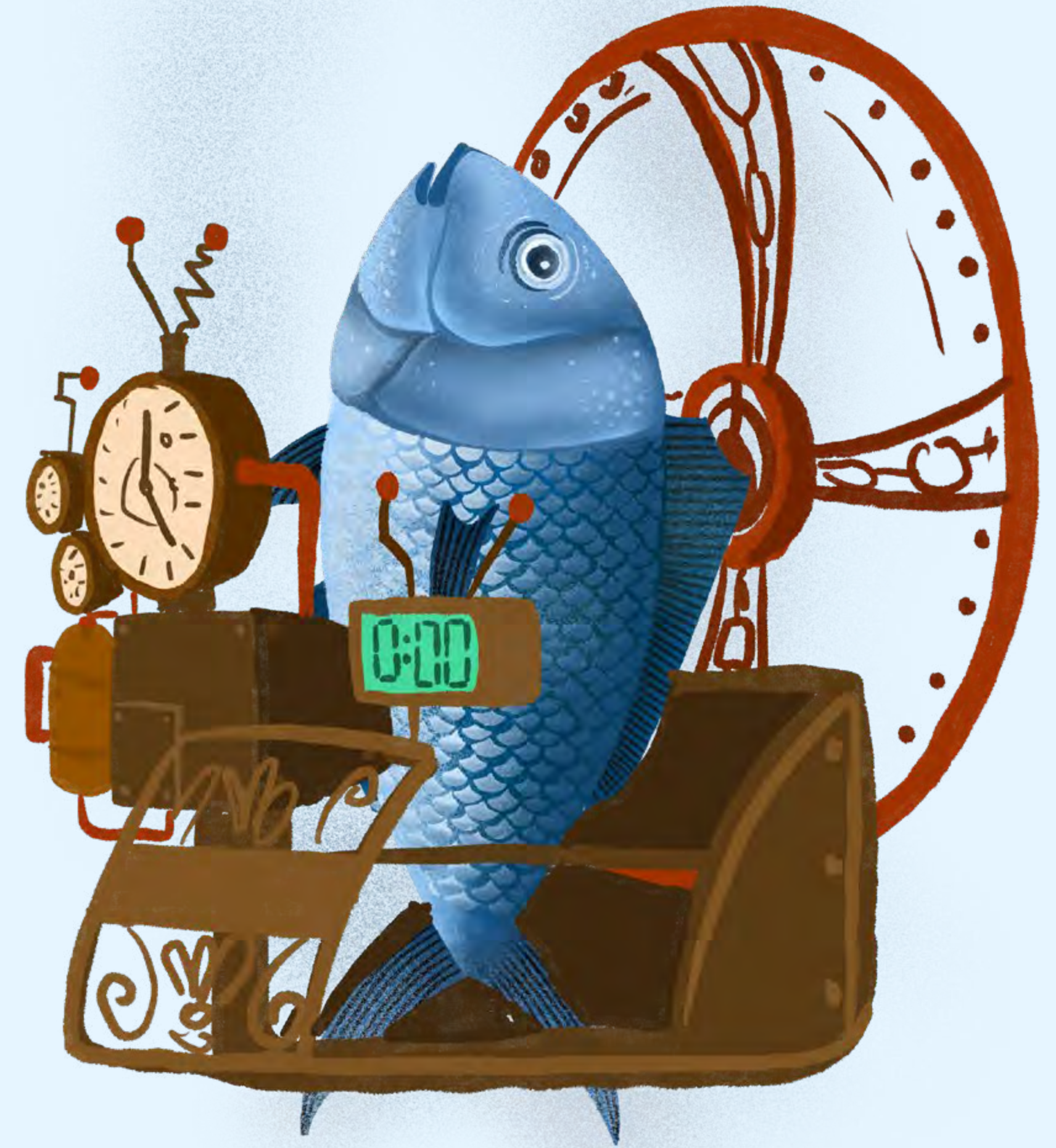


DANE DESNICA

# Cromaris timeline

Cromaris inherits a longstanding tradition from 1979, when Cenmar company was founded as one of the pioneers of mariculture in the Mediterranean. The first commercial sea bass farming started in Lamjana bay on Ugljan. Adris group merges Cenmar with three other smaller Mediterranean fish farming companies into a new modern company based in Zadar – Cromaris. Cromaris j.s.c. is one of the world leaders in production and process-

ing of top quality Mediterranean fish. The basis of its range are autochthonous Mediterranean species – sea bream, sea bass, meagre, greater amberjack and dentex. Cromaris follows the demands and needs of the modern consumer and continuously develops new top-quality, fresh products while giving great attention to sustainable business.





# 1979

Foundation of Cenmar. Among the first in the world to immerse a sea bass farming cage into the sea

# 1981

Cenmar's first sea bass and sea bream hatchery opened in Nin

# 1995

Start of new species farming (dentex and sheepshead bream)

Foundation of Marimirna Rovinj marks the beginning of mariculture in Istria

# 1984

- The company Cromaris j.s.c. was founded within Adris Group
- Innovation in fresh fish packaging – the first MAP fish packaging is launched

# 2009





- In addition to sea bass and sea bream, Cromaris presents a new indigenous species to the market – meagre
- Beginning of the certification of technological processes and quality assurance (ISO standards)
- Strategic step forward in mariculture by establishing two new departments – R&D and Marketing

# 2011

# 2012

- Gaženica production and logistics centre started operating
- Cromaris certified according to EU regulations for organic farming and Naturland



- Sale of 5,000 t of WFE recorded for the first time
- Start of Cromaris BIO range sale – BIO sea bass and BIO sea bream

# 2014



# 2015

- New hatchery opened in Nin, one of the most modern hatcheries in Europe
- SAP module developed and implemented, specifically adapted to the management of aquaculture systems

# 2016

- Nutritional Centre founded and the first Cromaris fish feed formulations designed
- Kudica farm started operating

Žman farm opened which increased production capacity

# 2017



First generation of trainees in the "Future in Cromaris" project

# 2018



- All Cromaris farms and all species certified according to the ASC standard
- Launch of fresh SKIN fillets in new recyclable packaging



# 2019



# 2020

- Record year – 10,000 t of WFE sold!
- Beginning of greenhouse gas emission monitoring for Cromaris, 2020 set as base year
- Launch of the new MAP product range in recyclable PET packaging
- Cromaris certified according to organic BIO Suisse certification



- Two new species launched: Cromaris greater amberjack and dentex
- Cromaris first in the industry to publish a sustainability report for the previous year
- Lavdara farm opened

# 2021

- New warehouse and substation commissioned in Gaženica, with built-in sustainable systems
  - Photovoltaic power plant installed on the roof of the hatchery in Nin

# 2022



# Map of Cromaris locations

Cromaris has seven farms, one of the most modern sea bass, sea bream, and meagre hatcheries in Europe, and a modern processing plant. It is a vertically integrated “sea-to-fork” company, which ensures traceability at all stages of production – from its own hatch-

ery and farming to processing and shipping. The production portfolio consists of fresh fish – sea bream, sea bass, and meagre, as well as two new farmed species since 2021 – greater amberjack and dentex, of which Cromaris is the only producer in the world.



- Cromaris j.s.c. company headquarters (Zadar), Cromaris Italia (Treviso)
- Hatchery (Nin)
- Gaženica production and logistics centre
- Farms
- Cromaris fishmongers

Treviso - Cromaris Italia

● Zagreb

The Adriatic Sea

● Zadar - Cromaris j.s.c



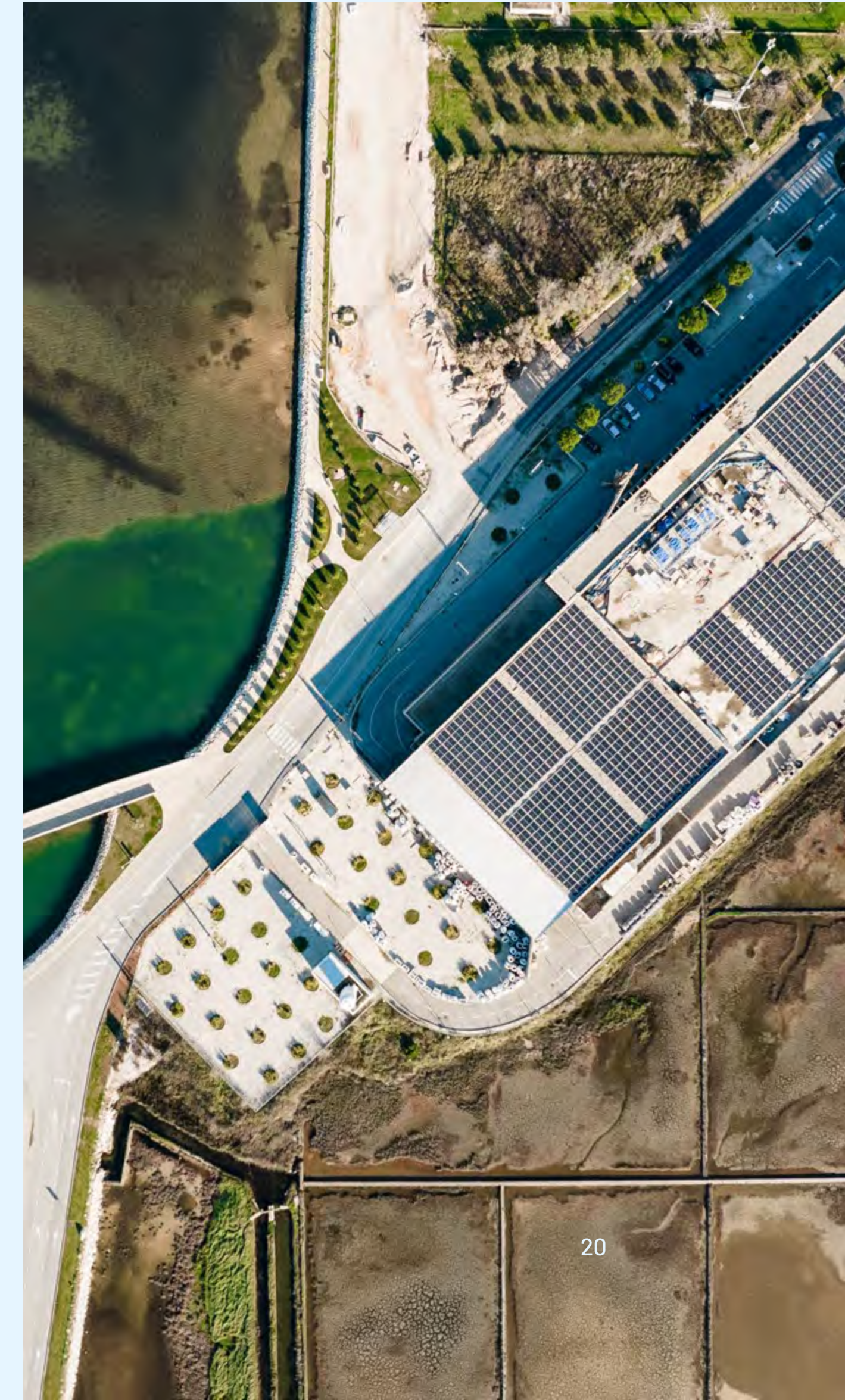
# Hatchery

Cromaris hatchery is located in Nin, not far from Zadar. It started operating in 1981 as one of the first in the Mediterranean.

The constant growth of production and the development of new farming species create a need for a new plant. In 2013, Cromaris started work on expansion and reconstruction of the hatchery. The new hatchery, one of the most modern sea bass and sea bream hatcheries in the world, started operating in 2015. The annual capacity of 35 million pieces of juvenile fish makes it one of the larg-

est hatcheries in Europe. The programme of fish selection and development of broodstock has been established. The company's own broodstocks are used as a base for all production. 4 Adriatic species are spawned in the hatchery – sea bass, sea bream, meagre, and dentex. The hatchery is divided into a broodstock units, breeding units from the larval stage through metamorphosis to juvenile fish, and sections for the production of zooplankton and phytoplankton, which are also the first feed

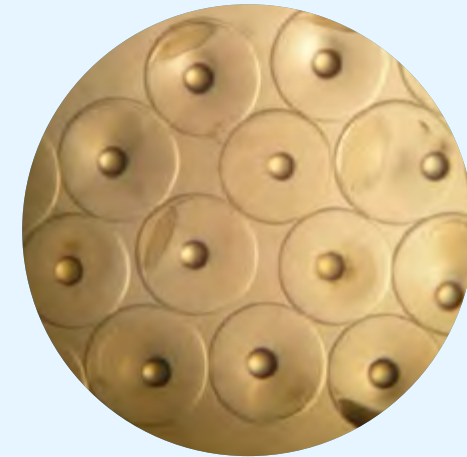
of Cromaris fish. Individual units have separate filtration systems, which makes it possible to achieve optimal zoo-hygienic conditions. The production process is accompanied by a natural photoperiod of fish, with special attention to animal welfare. In addition to the focus on regular production of juvenile sea bass and sea bream, a great deal of effort is invested in researching the production of new species of juvenile fish and the production of organic juvenile fish.



# First 120 days of fish

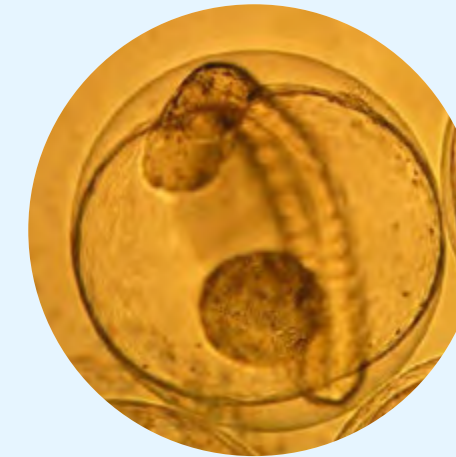
## Fertilised spawn

Spawning takes place with spontaneous release of eggs and semen, and fertilisation



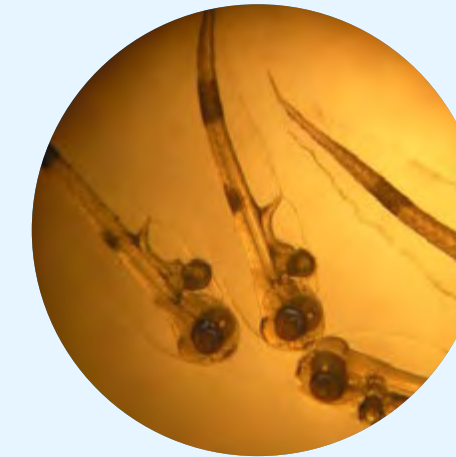
## Embryonic development

After collecting the spawn in the broodstock units, fertilized eggs are planted in special incubation pools where embryonic development occurs.



## Hatched larva

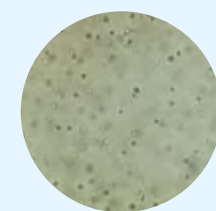
After developing the eyes and mouth, the larvae begin with feeding.



from the 1st to the 7th day

## Larvae with developed eyes and mouth

Depending on the fish specie, the larvae in the first days are fed with phytoplankton and rotifers, and then artemia. Around the 45th day, adaptation to dry feed begins.



Phytoplankton



Rotifer



Artemia

from the 7th to the 45th day

## Juvenile fish

Fry development and feeding with dry feed in the hatchery takes approx until the 120th day when the juvenils reach weight of 3 grams and are ready for transfer to the sea cages where they continue to grow till market size.



Dry feed



from the 45th to the 120th day

## In-house production of live food

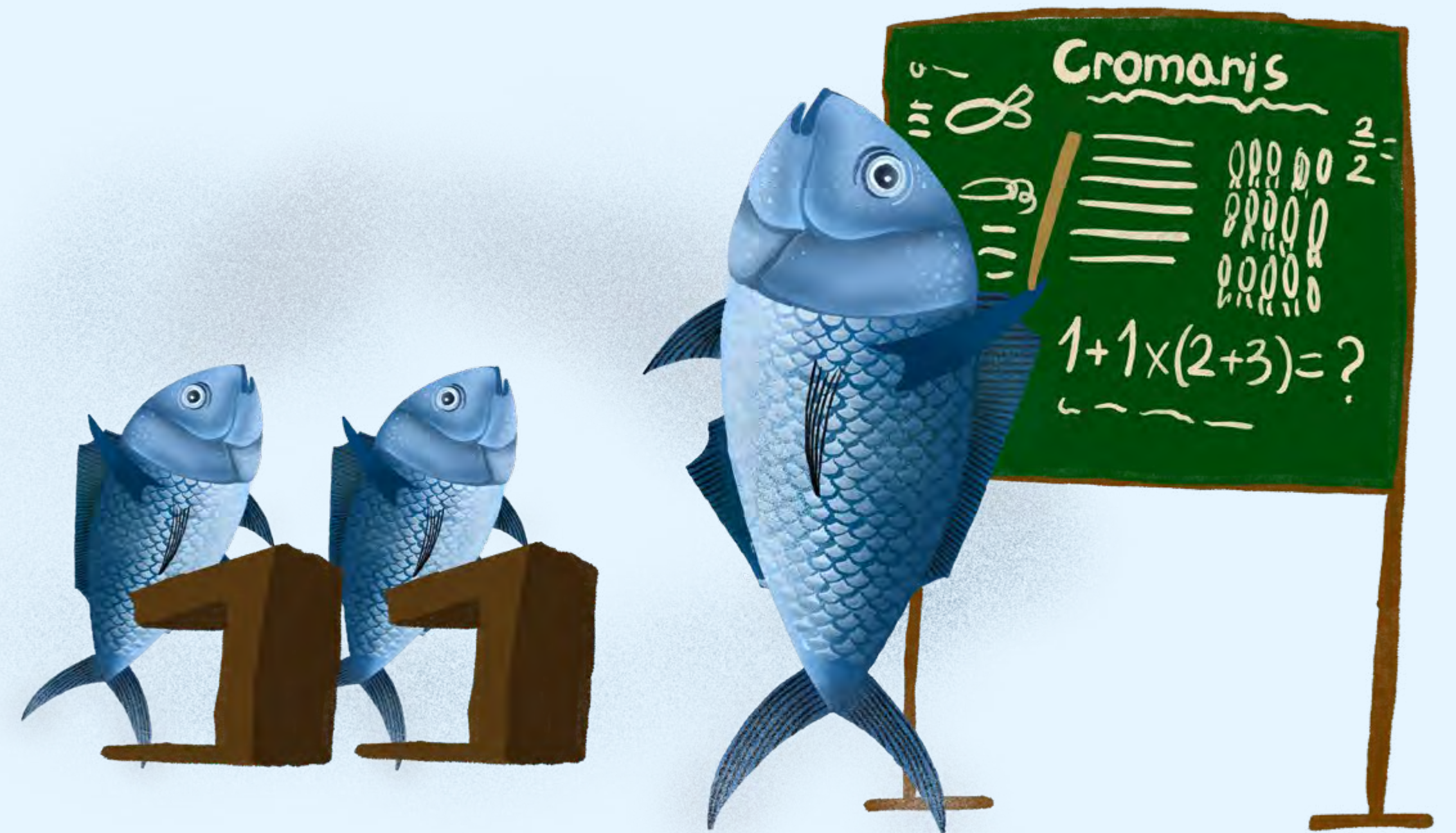
Feeding larvae with phytoplankton and zooplankton (rotifers and artemia) from own production



# Farms

Of the seven Cromaris farms, one is located in Istria (Budava) and the other six in the Zadar waters of the central Adriatic (Lamjana, Košara, Velo žalo, Žman, Kudica, and Lavdara). The locations of all farms were chosen due to the high quality of the sea and suitable sea currents, in accordance with the spatial plans of the Zadar and Istria counties, which assess these locations as suitable for white fish farming. Sustainable, responsible, and certified farming

takes place in all farms. The Aquaculture Stewardship Council (ASC), Global G.A.P., and ISO 14001 are certificates that certify work in line with the environment, best practices in aquaculture, and animal welfare. All farms are provided support from their own Cromaris veterinary service. Lamjana farm also has separate cage units for testing fish feed and farming new species within the Research and Development sector.





## Farm Budava

Budava Farm is situated on the Istrian Peninsula, in one of the most beautiful bays in the area, Budava Bay. Interestingly enough, for many years this site was under the protection of the army, making sure the nature in and around the bay was to be left completely intact.



## Farm Košara

Our farm is situated on a small Island of Košara, southwest of the Island of Pašman. The world famous "Kornati" National Park is in vicinity of the farm.

# Farm Lavdara

Fish farm Lavdara is located between the island of Lavdara vela and Pašman in Srednji kanal, along the northeast coast of the island of Lavdara. The feeding of fish on Lavdara is fully automated, carried out with the help of a barge placed in the middle of the farm. The barge is connected by pipes to all cages on the farm, which enables faster and more efficient dispersal of fish feed throughout the year.



## Farm Lamjana

This farm is located near Lamjana Bay on the Island of Ugljan. Besides the commercial production, the farm also features an experimental

platform for a variety of feed and new species experiments. Due to its longest experience, this oldest farm was selected to host a venue for performing R&D trials.



## Farm Velo žalo

Velo Žalo Farm is situated on one of the most beautiful islands in the Mediterranean, in Velo Žalo Cove on the Island of Dugi Otok. A part of the farm is certified for ecological farming.



## Farm Žman

Žman farm was established along the uninhabited part of the Island of Dugi Otok, between Luka and Žman. Fish feeding in Žman farm is completely automatized, just like in Lavdara.

An aerial photograph of a large-scale aquaculture operation. The farm consists of numerous circular pens, each enclosed by a yellow floating net. These pens are arranged in a long, winding line that stretches across a deep blue body of water. At the end of the line, a large white and blue floating platform or boat is visible. The surrounding landscape includes a forested hillside and a small island in the distance under a clear sky.

## Organic farm Kudica

Kudica Farm is located next to a group of islands surrounding the Island of Iž. It is certified in accordance with the EU Organic Farming, Naturland and Bio Suisse certification.

# Gaženica production and logistics centre

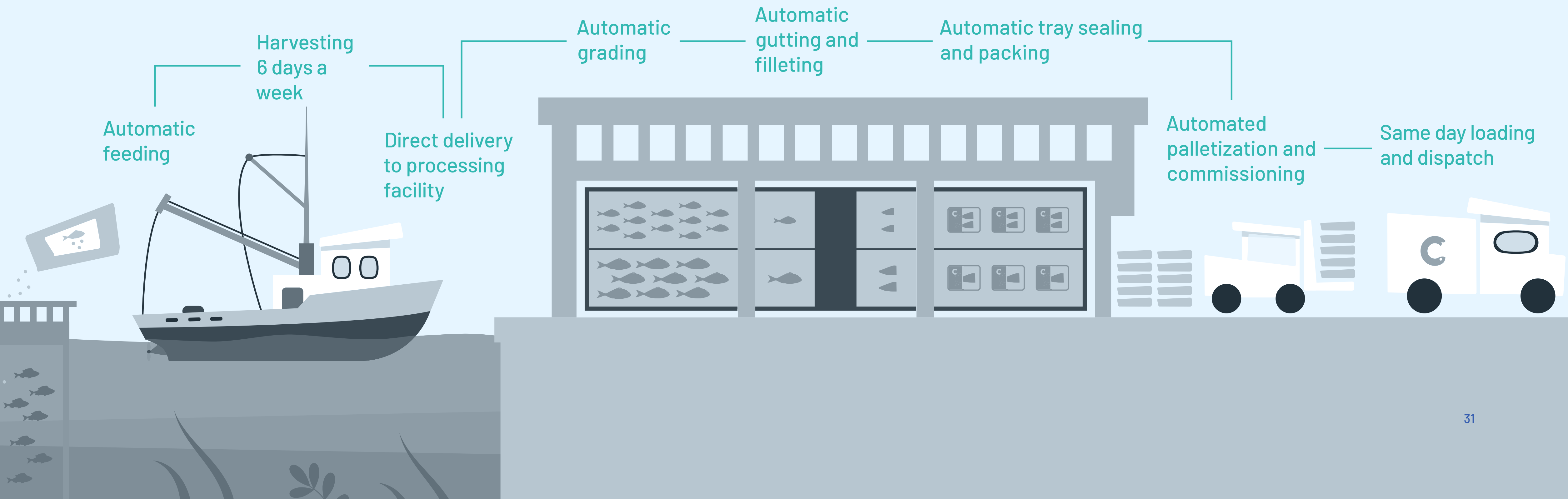
Gaženica production and logistics centre is situated in Zadar not far from Cromaris farms and in the immediate vicinity of the motorway. It was put into operation in 2012 and has been continuously modernised and upgraded with numerous investments, in accordance with the latest technologies and standards in fish processing.

The facility is built in line with the principles of good manufacturing and hygiene practices and is certified according to the strictest international food safety standards (IFS Food, GlobalG.A.P.). Cromaris thus guarantees maximum safety of a healthy and quality product of superior freshness at all times.



The harvested fish is immediately transported to the processing plant for sorting by Cromaris fleet ships. By sorting on several parallel automated lines, the fish is separated

into classes (by sizes). Depending on customer orders, part of the sorted fresh fish packed in cases is sent directly to the market, while the other part is processed.



## Gaženica production plant

Continuous modernisation of the processing plant, automation using the most advanced machines currently available on the market, and constant optimisation of production processes allow us to increase our capacity year after year while maintaining the highest quality of finished products.

**4x bigger capacity of gutting fish/day**

Fish descaling, cleaning, and filleting are done mechanically, with minimal manual manipulation, and the fresh fish thus processed is packaged in cases or recyclable PET trays using MAP or SKIN technology.

A special part of the production, which requires the highest hygiene standards, refers to Cromaris' delicacy range. This is a range of ready-to-consume smoked and marinated products prepared using traditional methods, without the use of artificial additives and preservatives.

**4500 more packaged MAP trays/hour**



## Gaženica warehouse and logistics centre

A new finished products warehouse and a substation were put into operation in the first quarter of 2022, after their reconstruction was completed in late 2021. The newly built warehouse is lo-

**45 % bigger capacity of warehouse shelves**

cated next to the existing processing plant in Gaženica and is characterised by sustainable systems and solutions. Robotisation, increasing the cooling space and the number of loading ramps, and optimisation of operations resulted in an increase in capacity and efficiency. Also, in accordance with Cromaris' strategic plan for reducing the carbon footprint for the cooling system in the new warehouse, a water chiller with an environmentally friendly working substance (propane) of low GWP (global warming potential) was selected. Propane is a type of hydrocarbon (HC) with excellent thermodynamic properties for

**120 more pallet places**

operation in refrigeration devices and is a very good substitute for freons or other harmful working substances with an adverse impact on the environment. Also, efficient LED lighting fixtures were installed in all rooms. A small photovoltaic plant was installed on the roof of the warehouse, as well as transformers with the lowest energy losses.

**A new warehouse Gaženica was put into operation in 2022.**



# Cromaris fishmongers

Cromaris' mission is to develop and spread a culture of healthy eating by consuming fish and fish products as extremely healthy foods. We provide consumers with top-quality fresh fish available daily at 5 Cromaris fishmongers – in Zagreb, Rovinj, and Zadar throughout the year, and in Zaton and Preko during summer months. You can find the

entire Cromaris offer at our fully stacked fishmongers. The helpful and knowledgeable staff will be happy to share information about our fish or give recommendations on how to keep it fresh, how to clean or prepare it. Whole, cleaned, packaged fish, or fresh and smoked fillets are part of Cromaris' wide range of

products that can be creatively integrated into everyday dishes and balanced meals.

In 2023, Cromaris plans to open a new fishmonger in Tkon and two stores in Pula and Zagreb, which, in addition to Cromaris products, will offer a wider range of products necessary for the preparation of fish meals.



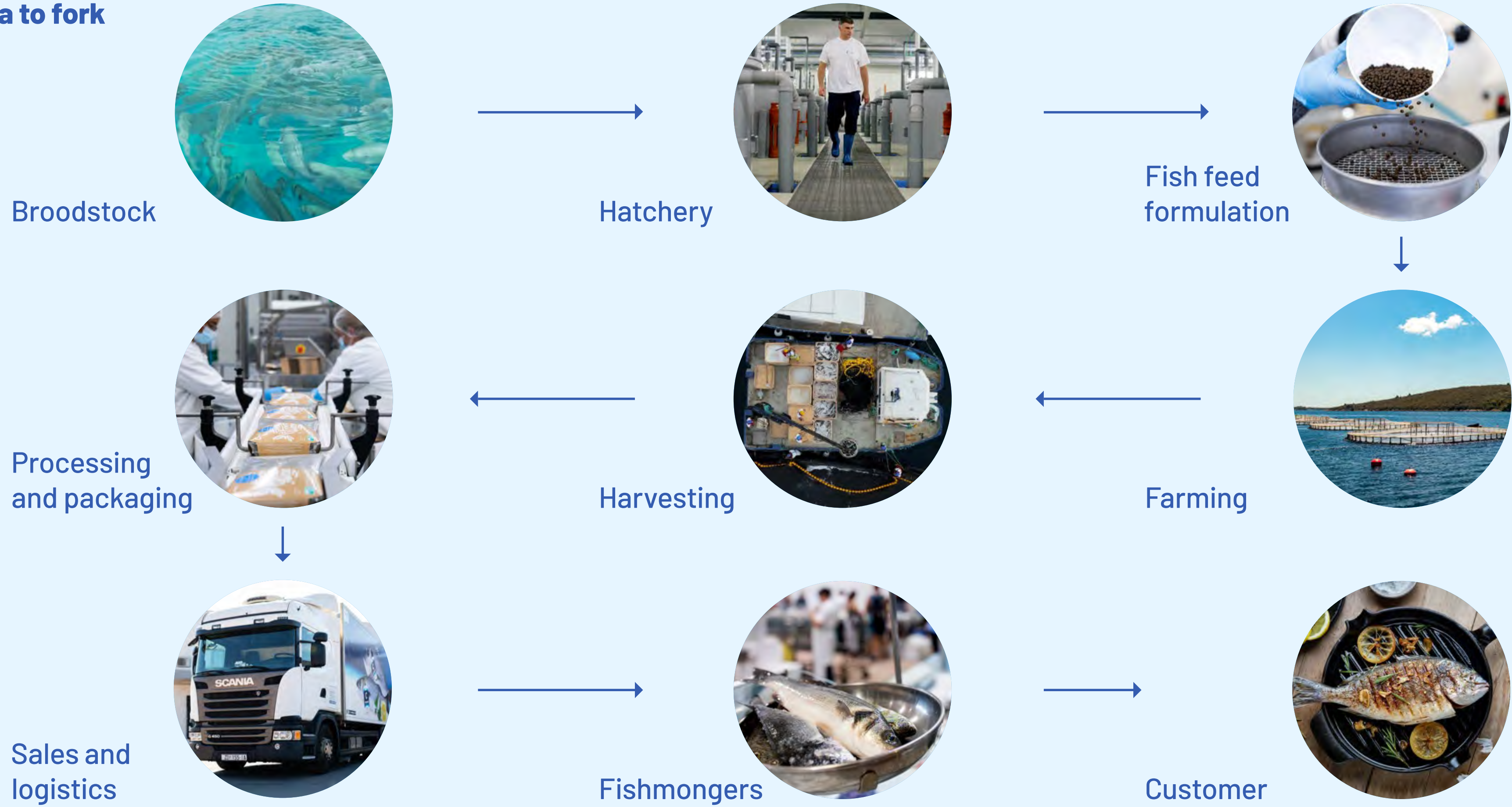
# From sea to fork

Cromaris is a vertically integrated company in terms of production; from the broodstock to the final product. The production cycle begins in our own hatchery in Nin, continues at one of the seven farms in the Zadar and Istria counties, and ends with sorting and processing at the processing centre in Gaženica in Zadar, from

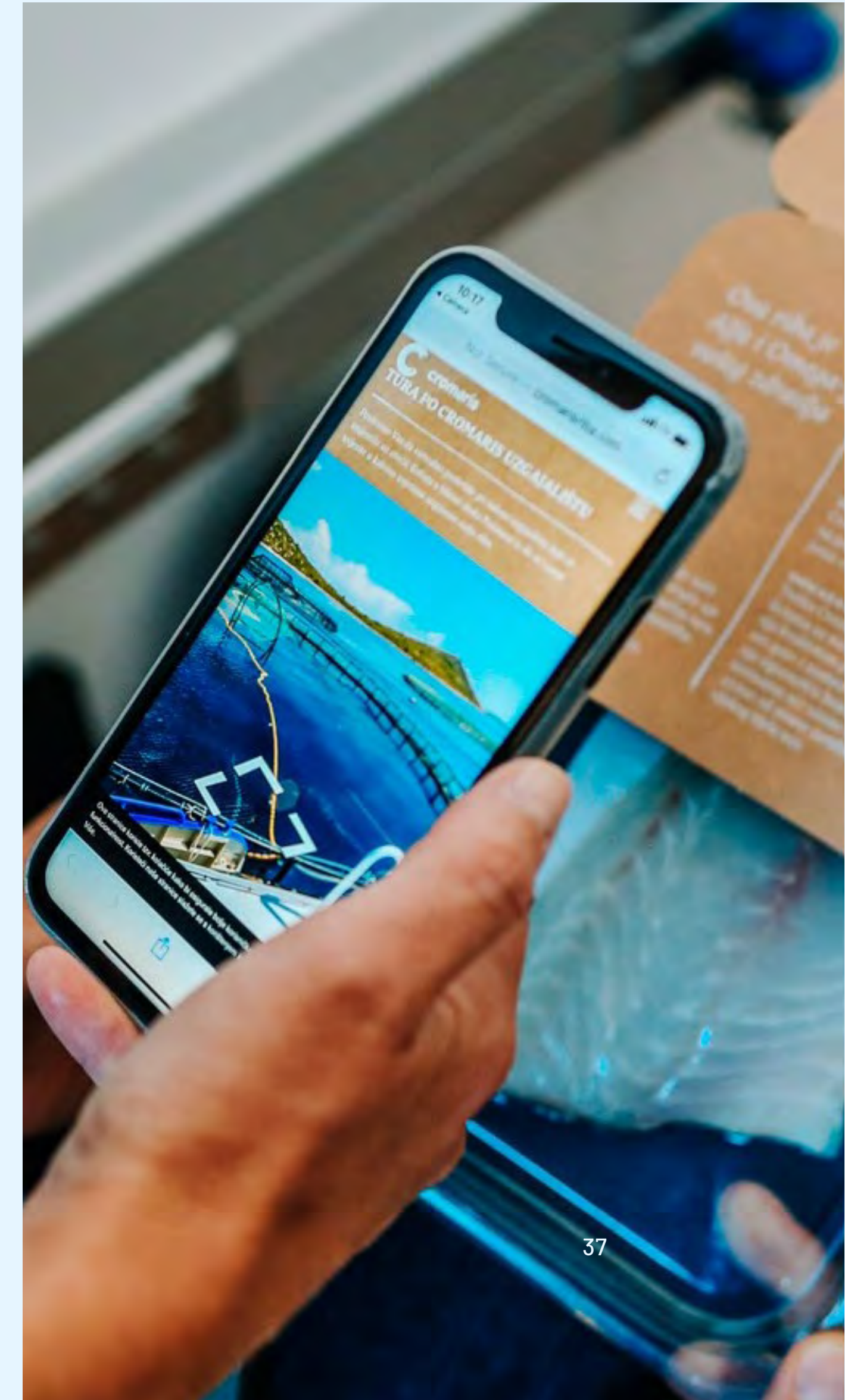
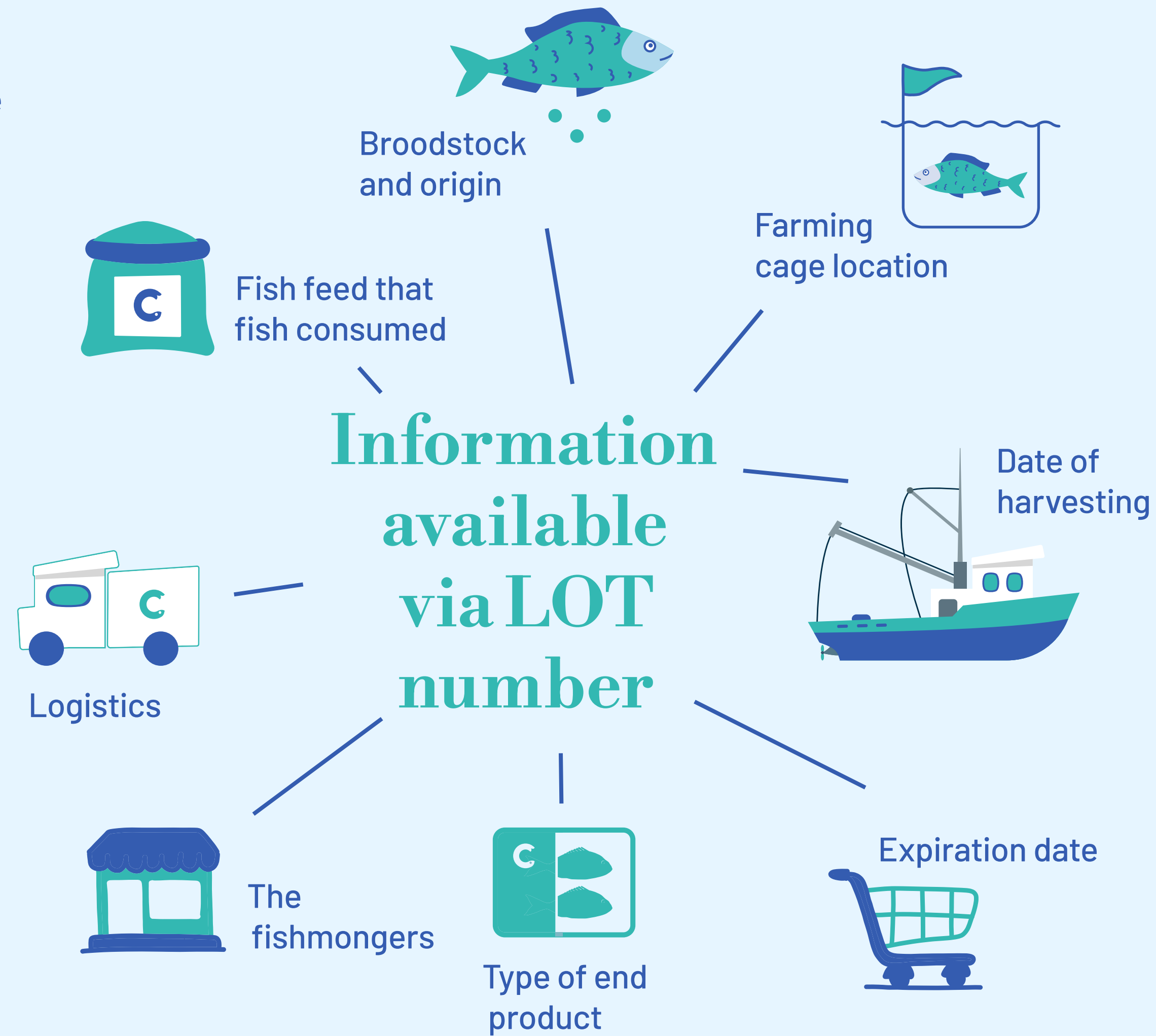
where the finished products are distributed to customers in Croatia and abroad. The quality of business processes is confirmed by numerous certificates and full traceability in real time with the help of SAP – from broodstock and spawn, through juvenile fish and fish for consumption, all the way to the end consumer.



**From sea to fork**



The **LOT number** on the finished products allows Cromaris to trace the entire farming process, from spawning, farming cage site, fish feed, the temperature regime from harvest to delivery, as well as other key parameters. The QR code, included on innovative packaging, allows each customer to take a virtual walk around the farm from which the fish originated.



# Our products

We are leaders in quality, so all our products are distinguished by superior freshness and excellent taste and are produced without the use of antibiotics and GMOs, in a sustainable way, which is confirmed by numerous certificates and awards (Superior Taste Award, Golden Basket). The basis of Cromaris' offer consists of native Mediterranean fish species of the highest quality: sea bream, sea bass, and meagre. Sustainability as a strategic determinant is also

reflected in the ASC certificate for all 3 species. As a company that strives for innovation, we have expanded our range with two new species in recent years: greater amberjack and dentex. The range of fresh products consists of whole ungutted fish, gutted fish, fillets, and steaks. Depending on the finishing method, Classic, Gourmet, or Selection sea bass, sea bream, and meagre fillets, and fresh meagre steaks are available.



## CROMARIS OFFER

### CONVENTIONAL FISH

- FRESH UNGUTTED
- FRESH GUTTED
- FRESH FILLETS  
(Classic, Gourmet, or Selection)
- FRESH MEAGRE STEAKS
- PACKAGED PRODUCTS  
(MAP and SKIN packaging)
- SMOKED FILLETS
- MARINATED FILLETS



### BIO FISH

- FRESH UNGUTTED
- FRESH GUTTED
- FRESH FILLETS  
(Classic, Gourmet, or Selection)
- PACKAGED PRODUCTS  
(MAP packaging)



*Argyrosomus regius*



*Seriola dumerili*



*Dentex dentex*



*Dicentrarchus labrax*



*Sparus aurata*

## Conventional products portfolio

Cromaris bases its market strength and competitiveness on quality, freshness and innovation. We are continuously upgrading our product assortment in accordance to customer demands regarding health, safety and sustainability, with top taste and quality of the product. The basis of the offer are autochthonous Mediterranean species in boxes of 3, 6 or 10 kilograms.

### Fresh fish in EPS packaging



**Cromaris sea bream**

Fresh whole ungutted or gutted fish and fillets



**Cromaris sea bass**

Fresh whole ungutted or gutted fish and fillets



**Cromaris meagre**

Fresh whole ungutted or gutted fish and fillets



**Cromaris dentex**

Fresh whole ungutted fish



**Cromaris greater amberjack**

For our fish to be available at points of sale that do not have a fishmonger, we also offer fresh packaged gutted fish in MAP and fillets in SKIN packaging, thus maintaining the freshness and quality of products with a modern and informative packaging design and simplicity of cooking for the end customer. We are especially proud of the line of deli smoked fillets prepared in a traditional way, without artificial preservatives and dyes.

**Fresh fish in MAP or SKIN packaging**



Cromaris sea bream



Cromaris sea bass



Cromaris sea bream and sea bass

**Fresh whole gutted fish in MAP duopack or monopack packaging**



Cromaris sea bass



Cromaris sea bream



Cromaris meagre

**Fresh fillets without bones in SKIN packaging**

**Deli products**



Cromaris sea bass  
Deli smoked fillets



Cromaris sea bream



Cromaris meagre

# Organic fish range

Cromaris' strategic business goal is to become the world's largest producer of organic Mediterranean white fish by 2025. Back in 2012, we certified a part of our products with ecological certificates and every year we widen our range of organic fish. We are also especially proud that we launched new organic kind of fish, BIO meagre, as the

only one in the world, and in 2023. we plan to launch SKIN BIO fillets. All our organic products are certified according to European regulations with EU organic farming certificates, the strictest German certificate for ecological fish farming Naturland and BioSuisse certificate for the Swiss market.

## Fresh fish in EPS packaging



Cromaris BIO sea bream   Cromaris BIO sea bass  
Fresh whole ungutted or gutted fish and fillets

Cromaris BIO meagre

## Fresh fish in MAP packaging



Cromaris BIO sea bream   Cromaris BIO sea bass  
Fresh gutted BIO fish in MAP duopack or monopack packaging

# Proven quality

Certification of products, processes, and organisational units according to the strictest available standards is an important process that is directly related to the goals within Cromaris' sustainability strategy, ensuring independent and objective verification of performance in integrating sustainability goals into the business.

Our raw material suppliers, **including juvenile fish and fish feed suppliers**, also need to be certified by independent certification bodies (according to the Global G.A.P. standard), while raw materials used in organic farming must also be certified according to the additional requirements of organic standards.

At all farming sites and in other organisational units, our trained employees conduct **internal audits** (an independent and documented process of evaluating evidence on meeting the criteria of the implemented standards). During 2022, a program of transformation initiatives was continued, including the TP 12

project – Certificates, with the aim of optimising the number of certificates and revoking certificates of the same or similar scope. Thus, ISO 22000:2018 and the BRC – Global Standard for Food Safety were revoked, as the same scope is covered by the Global G.A.P. and IFS Food standards.

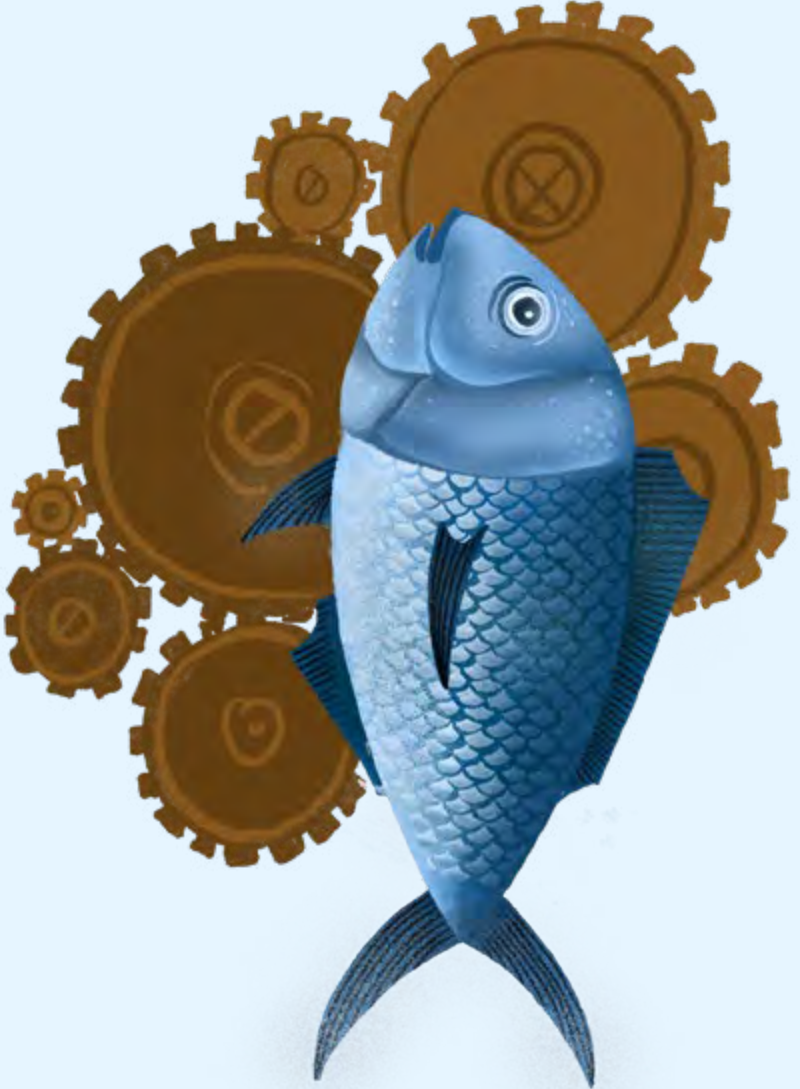


# Implemented standards by organisational units



**Hatchery**  
ISO 9001/14001,  
Global G.A.P., GRASP,  
Antibiotic free, EU  
organic certificate

**Farm**  
ISO 9001/14001, Global G.A.P.,  
GRASP, ASC farming, Antibiotic  
free, EU organic certificate,  
Naturland, Bio Suisse



**Gaženica  
production and  
logistics centre**  
ISO 9001/14001, IFS  
Food, Global G.A.P.,  
GRASP, ASC Chain of  
Custody, EU organic  
certificate, Naturland,  
Bio Suisse



**Cromaris Italia**  
ASC Chain of  
Custody, EU  
organic (ICEA)

## ASC (Aquaculture Stewardship Council) – farm stories

The ASC certificate also provided us with better recognition and a desirable partner in top cuisine, so for example we became suppliers of the Michelin-starred restaurant Armani Caffé & Ristorante in Paris. Even the certifier recognised Cromaris as an example of good practice in

the industry, so, in cooperation with the ASC organisation and the restaurant management, video and photo materials promoting the combination of top gastronomy and ASC certified fish on the example of Cromaris fish were recorded at Cromaris locations in the summer of 2022.



# Markets

## GRI 2-6

In 2022, 13,444 tonnes of fresh fish equivalent were sold, which is 8% more than in the previous year. This result and sales growth were achieved primarily thanks to the growth of 10% in the export markets.

Italy and the domestic Croatian market are still our priority markets, not only in terms of sales volumes, but also for the recognition of our brand, which is the focus of most of our marketing activities.

In 2022, we also recorded a strong growth in Spain, whose fish market we entered for the first time last year.

In addition to the above, Cromaris is also present on the markets of Slovenia, Austria, Germany, Switzerland, France, the Netherlands, Luxembourg, Poland, the Czech Republic, Slovakia, Montenegro, Serbia, the United Arab Emirates, and Hungary.

In addition to the volume increase, there was also an increase in prices, on average by 9%. Cromaris' sales revenues amounted to HRK 721 million, which is an increase of 18%, and earnings before interest, taxes, depreciation, and amortisation (EBITDA) amounted to HRK 83

## 88 % of sales in international markets

million, which is an increase of 24%. Net profit amounted to HRK 18 million and was 39% higher than last year.

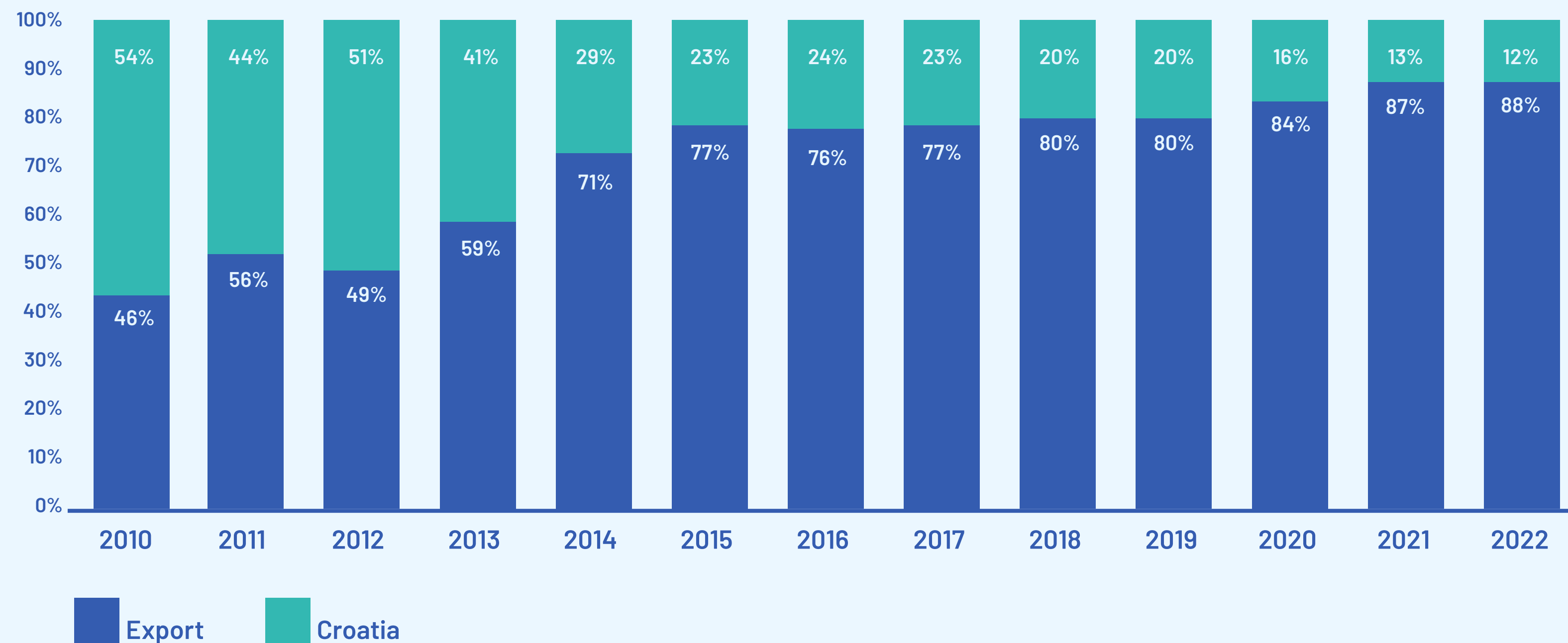
For the third year in a row, we are proud to be the winner of the Golden Key award in the category of the Best Exporter to Italy, awarded by the Croatian Exporters' Association.



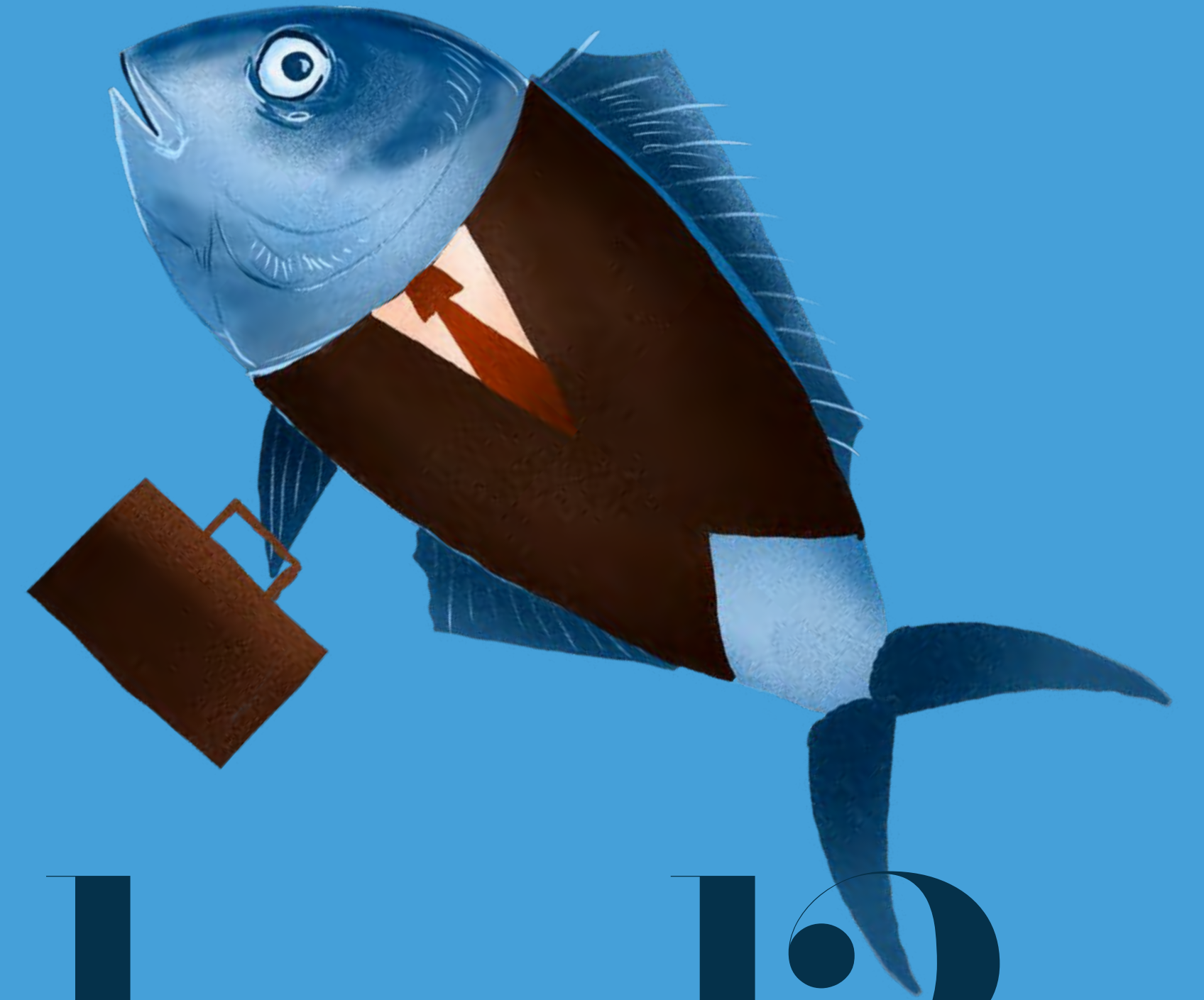
## Export share in sales revenue

### Share of revenue from sales in markets

Italy	56 %
Croatia	12 %
Germany	8 %
Spain	6 %
Austria	5 %
Switzerland	4 %
France	3 %
Other countries	8 %



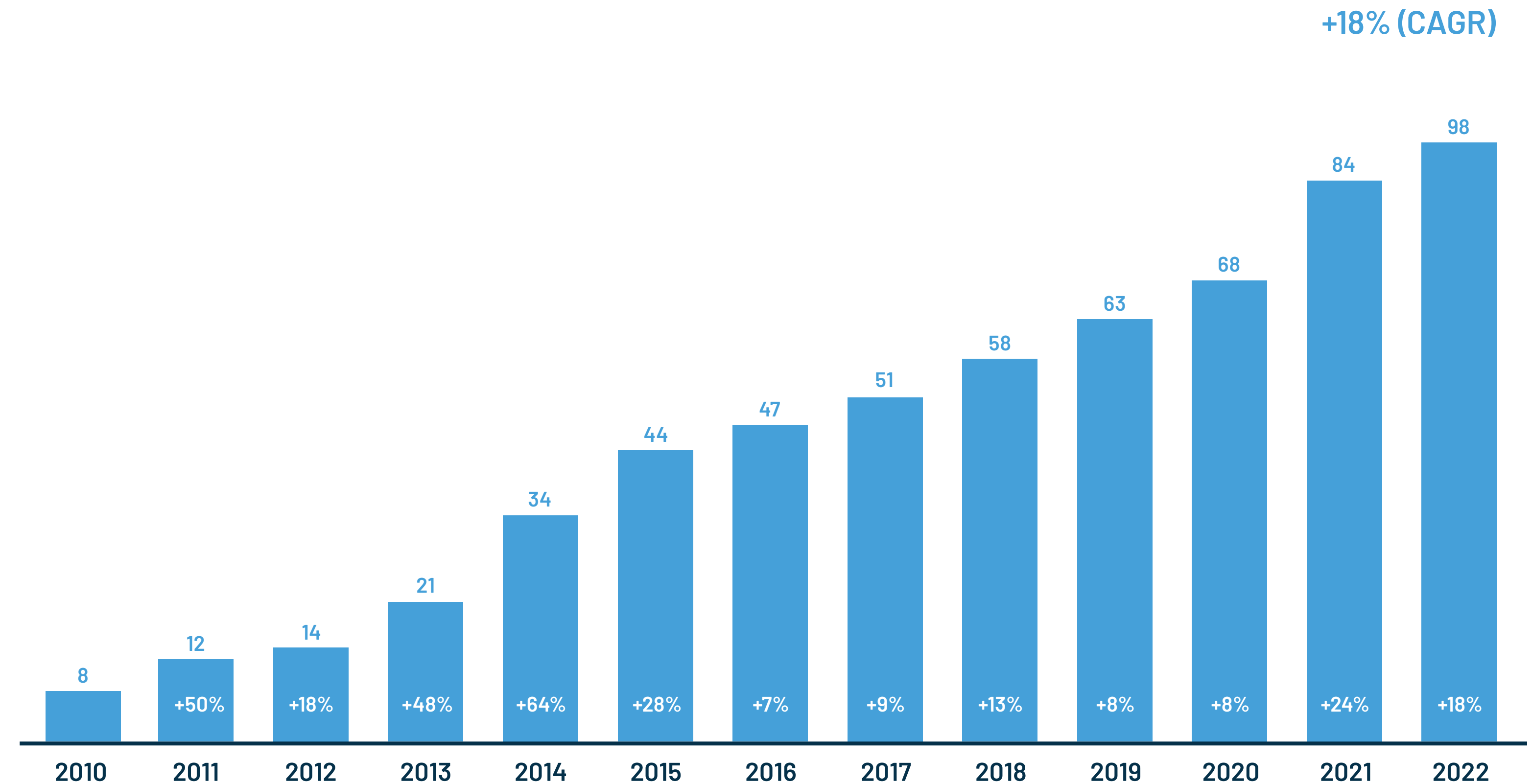
What  
have we  
accomplished?



# Key indicators since the founding of Cromaris

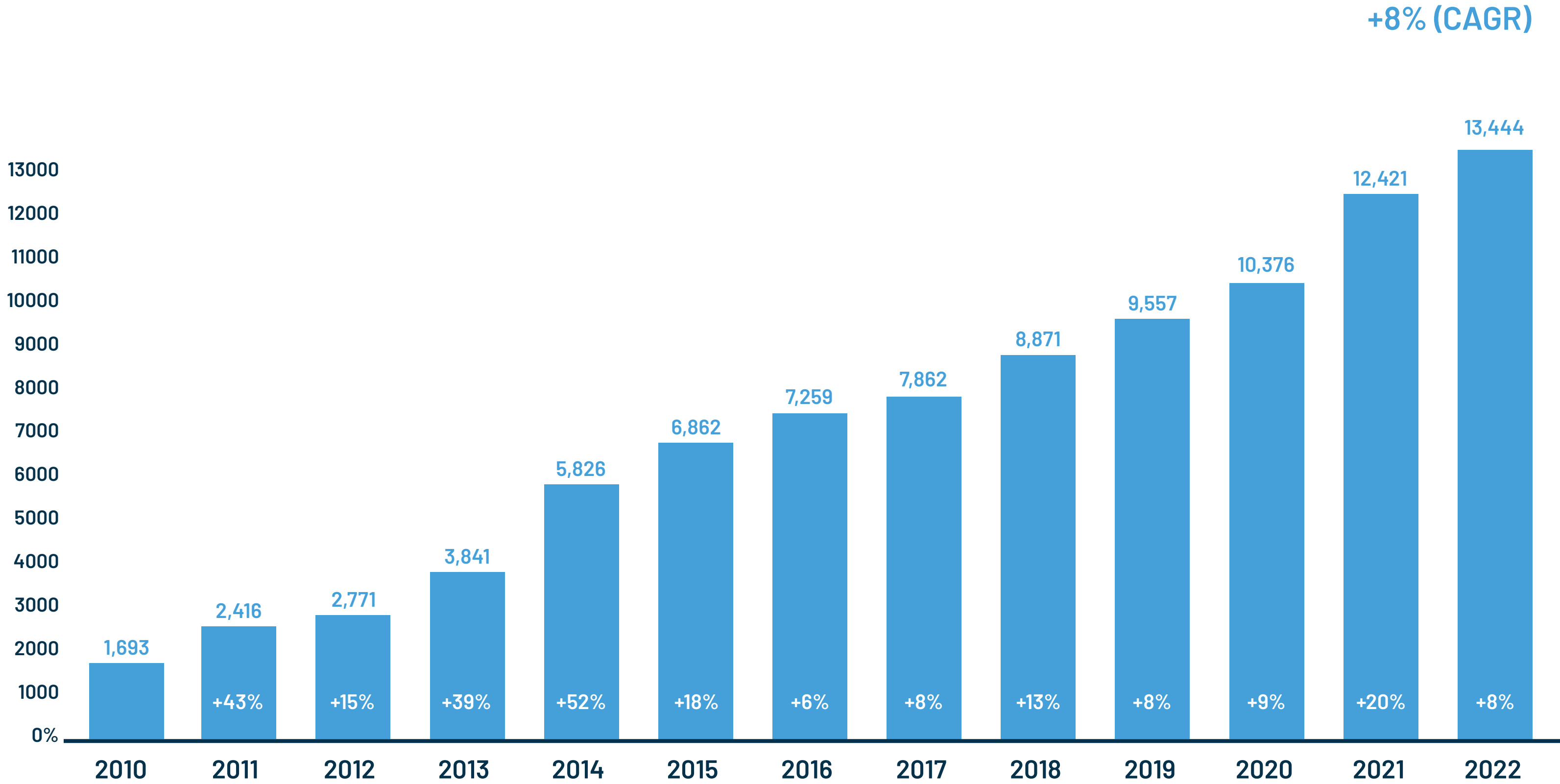
## Sales revenue in millions of EUR

Thanks to the strategic orientation of the company in the premium segment of the market of quality Mediterranean fish and the constant investment in products with added value, the sales revenue of Cromaris j.s.c. regularly achieves even higher growth rates than the volume sales. In the period from 2010 to 2022, the revenue from the sales of Cromaris j.s.c. products grew at an average annual rate of +18%.



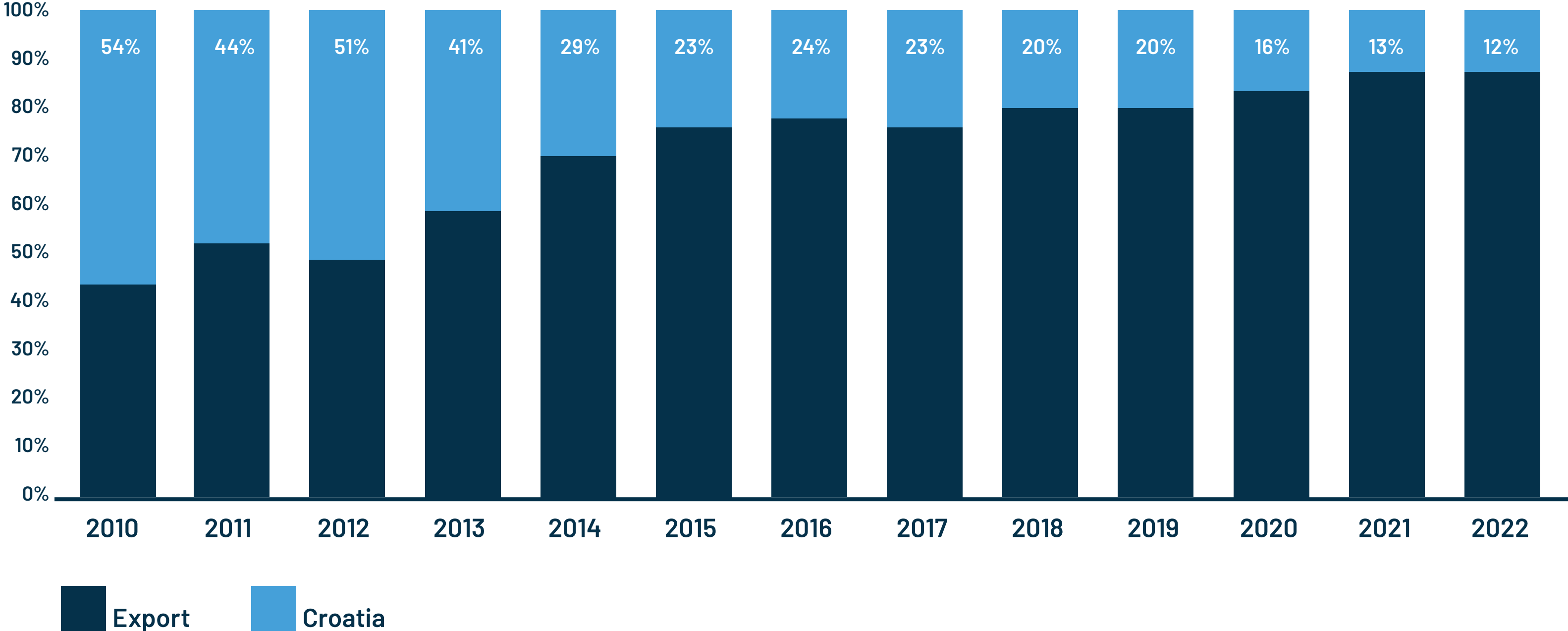
## Sales in tonnes WFE

Cromaris j.s.c. is one of the fastest growing companies in the industry. Since the establishment in 2009, we have been recording a strong organic growth in the sales of our products every year. In the period from 2010 to 2022, the average annual growth rate of volume sales was +8%.



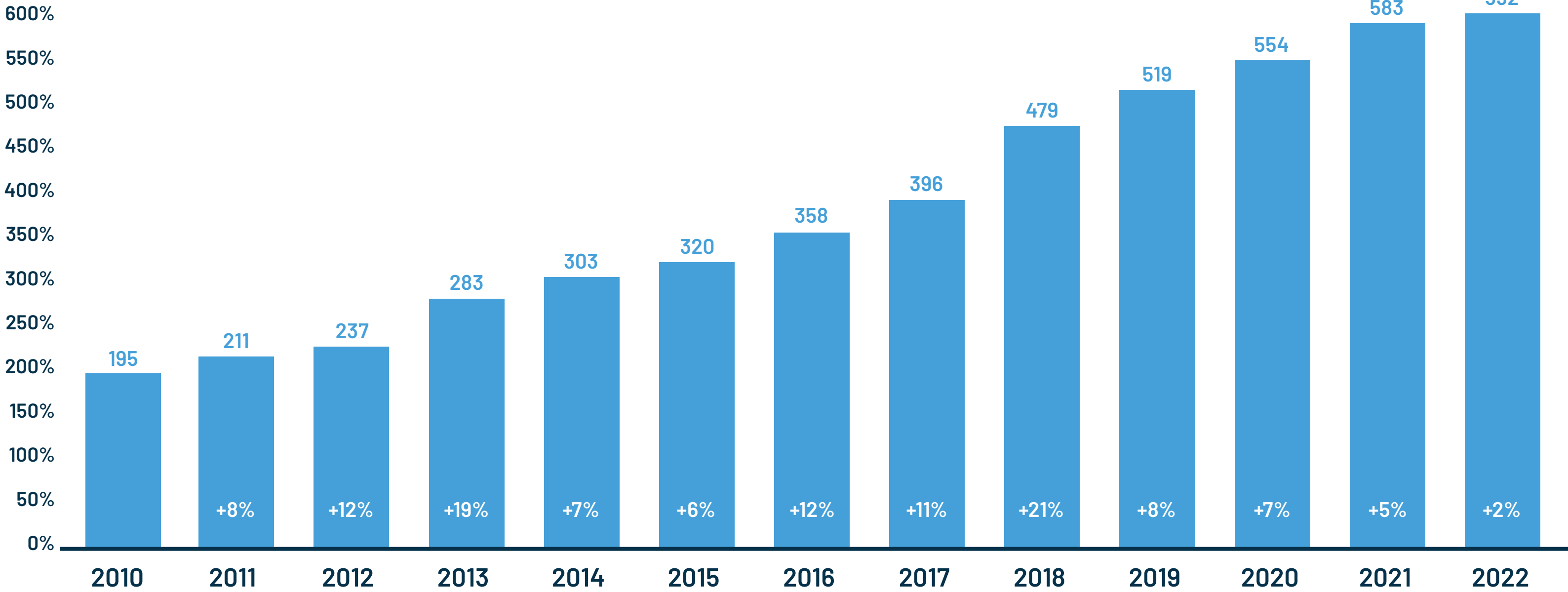
## Share of exports in sales revenue

Cromaris' production capacities greatly exceed the needs of only the Croatian market of quality Mediterranean fish. Therefore, since the founding of the company in 2009, export market orientation has been one of the most important strategic determinants of our business. In the past thirteen years, revenues from the sales of products on foreign markets have been an increasingly important segment of our business, and today Cromaris exports over 88% of its production. Our main export markets are Italy and Central European countries and countries of our region.



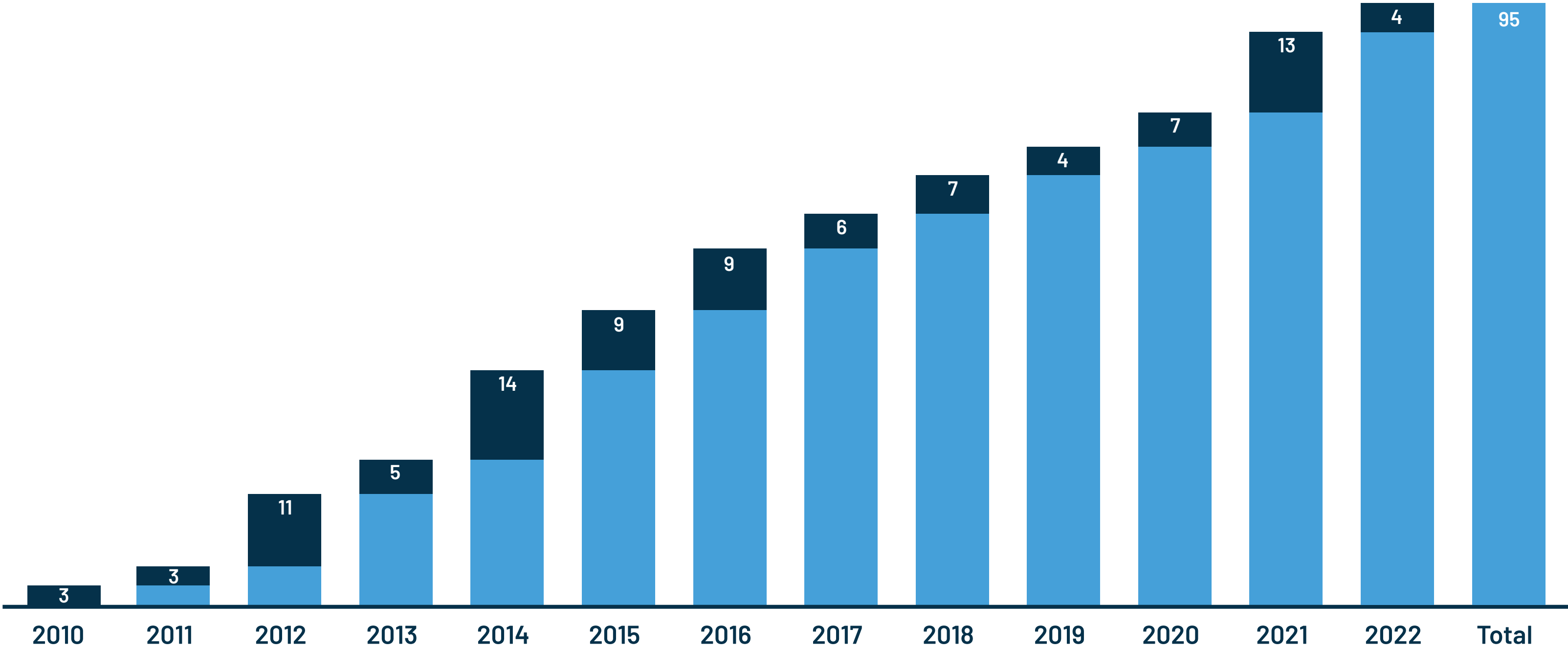
# Number of employees

The need for quality employees grows in parallel with the growth of sales and the increase in business activities. 592 employees were employed in Cromaris in 2022, and we are proud that there are more and more of us every year.



# Investments in non-current assets in millions of EUR

More than EUR 95 million was invested in non-current assets by 2022. Investments will continue with the aim of achieving the highest level of industrial efficiency.



News in

# 2022

100% success  
in passing  
all audits

Reduction of  
greenhouse gas  
emissions in 2022  
per tonne of fish  
produced by 18.9%

New collective  
agreement  
entered  
into force

More than 10 m<sup>3</sup>  
of mixed waste  
collected in  
coastal cleaning  
campaigns

New photovoltaic  
power plant on  
the roof of the  
hatchery in Nin  
installed

Decision to  
increase organic  
production in  
Cromaris

New warehouse  
and substation  
in Gaženica, with  
sustainable systems  
installed, put into  
operation in 2022.

ASC  
recertification  
of all Cromaris  
locations  
successfully  
carried out

Cromaris donated 10  
tonnes of its products  
to the Croatian Red  
Cross to help people in  
the war-affected area  
in Ukraine

Antibiotic Free  
Certificate  
according to DNV's  
STP-80 technical  
specification

Beginning  
of the  
development  
of the ESG  
strategy

Installed  
automatic  
feeders for fish  
in the hatchery

220 students  
and partners  
visited Cromaris  
in 2022

International Taste  
Institute awarded  
Cromaris' sea bass  
with the highest  
rating for the 5th  
year in a row \*\*\*

No antifouling  
agents used on  
Cromaris' nets

81,3%  
of work contracts  
were open-ended

59% of the  
raw materials of  
fish feed from  
sustainable  
sources

# Sustainability in Cromaris

## **GRI 2-12, 2-13, 2-14**

Commitment to sustainability is an integral part of corporate culture and business strategy and the foundation on which our future growth and development depend significantly. After Cromaris was the first company in the industry to publish the Annual Sustainability Report in 2021, thus setting an example of re-

sponsible business practice for other sea bass and sea bream producers in the world, efforts continued in 2022 to further define Cromaris' strategic ESG determinants and goals (as part of its own sustainability strategy and within the ESG strategy of Adris grupa) and establish an effective ESG organisation at all levels of the company.



## ESG organisation and management



**Decisions related to sustainability and corporate responsibility issues are made by the Management Board, as the top management body of Cromaris.** The Management Board, headed by the President of the Management Board and in cooperation with an extended team of managers, adopts ESG goals and the plan for integrating environmental, social, and governance criteria into the business. Given the strategic importance, it is important to ensure resilience to ESG risks, therefore a preliminary system of monitoring risks and actions to mitigate the identified risks has been established.

The Management Board meets on a quarterly basis and evaluates the performance in the implementation of the set ESG goals. The Cromaris Management Board also adopted the Sustainability Report 2022 and is responsible for the material topics and data specified in the report. Within the Research and Development sector, the **Sustainability and Fish Feed department** was established in mid-2020, which coordinates all ESG topics at the company level. It identifies the risks and opportunities associated with sustainability issues and proposes strategic ESG goals to the Management Board. The department

is also responsible for reporting on sustainability, supporting other departments, and monitoring changes in regulations – the development of ESG regulations at the national and especially EU level is actively monitored throughout the year. Cromaris' ESG experts also participated in public debates, conferences, and other events related to sustainable development. In addition to setting up an internal ESG organisation and processes, we are also actively participating in the further development of the ESG framework and the organisation of Adris grupa. Adris grupa has appointed an ESG lead to coordinate the work

of the team for seven priority ESG (material) topics within the Group's ESG strategy. The working group (team) consists of representatives of each of the Group's companies, so Cromaris also had a representative in each group. Additionally, Cromaris' Group-level lead led the Sustainable Products and Services working group in 2022. Each company, including Cromaris, also appointed an ESG manager to monitor and coordinate the work of the teams at the level of each company, inform the Management Board about the activities and progress, and communicate directly with the managers at the level of Adris.

## Defining material topics

### GRI 3-1

In 2021, when considering Cromaris' approach to sustainable business, a key part of the process was defining material topics that are reasonably considered to show the economic, environmental, and social impacts of Cromaris and have a significant impact on stakeholders. In other words, the topic is material if it can significantly affect the business continuity and growth of the company and is important to our stakeholders who expect certain decisions and activities from us.

Several workshops were held with participation of representatives of Cromaris' key departments and the aim was to identify as many



influences and topics important for business and stakeholders as possible. Participants discussed the legal regulations, trends in the environment, included the results of available research and surveys (such as market research and customer satisfaction surveys), media releases, experiences of other companies in our industries, and other relevant sources. A total of more than 100 existing topics were identified, grouped into 14 key ESG sustainability topics. By prioritising certain topics in the materiality matrix, the defined sustainability topics were evaluated and priority areas to which attention and resources will

be directed in the next period were identified.

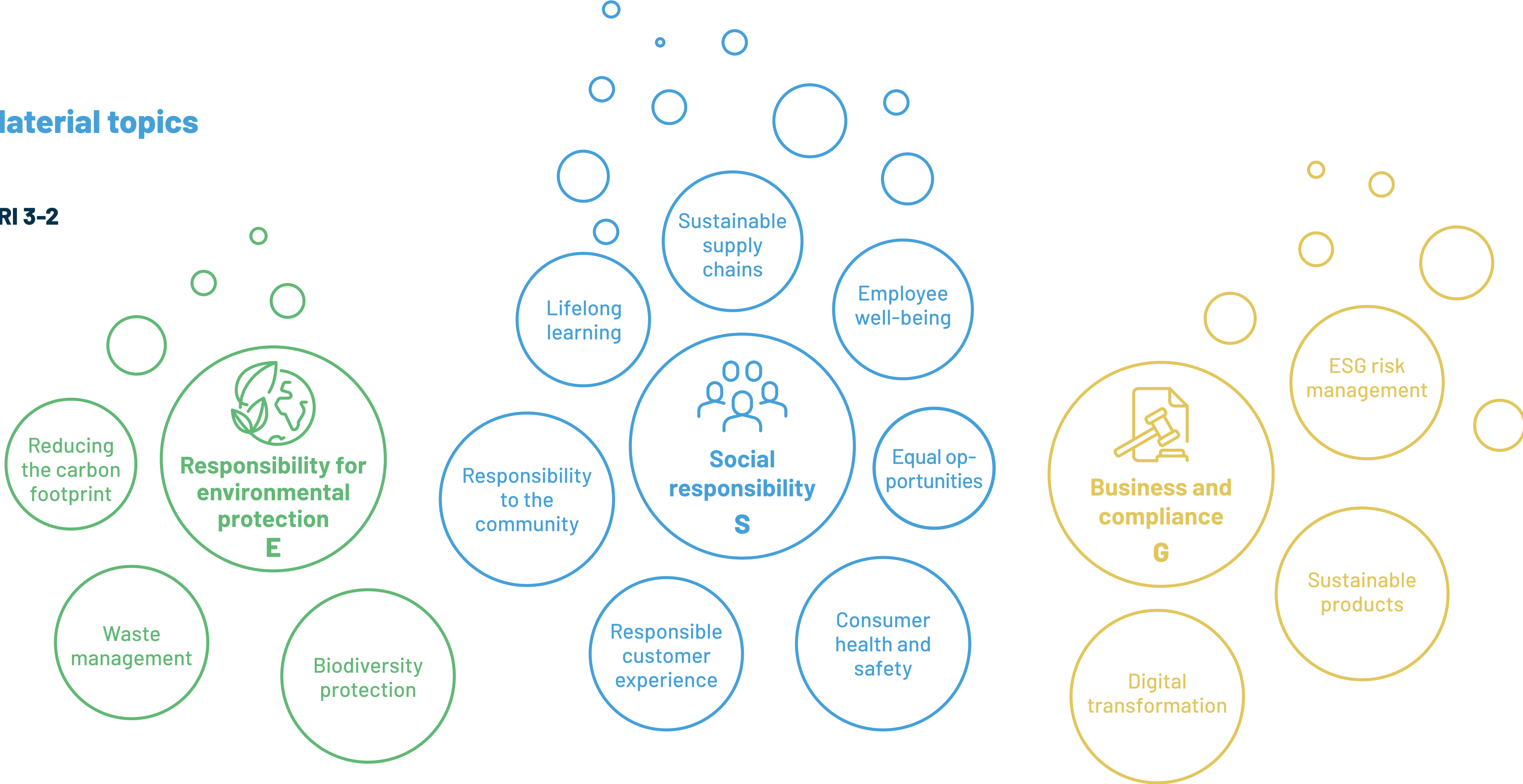
The process of defining Cromaris' material topics was carried out in parallel with the definition of material topics of Adris grupa, whereby Cromaris (as well as other companies in the Group) adopts topics common to the entire Group as mandatory. Within the identified material topics, common strategic priorities were recognised at the level of Adris, to which Cromaris added its additional strategic priorities and sustainability goals arising from the industry in which it operates and the specificities of its business in the second phase implemented during 2022.

The defined priority material topics

and the final materiality matrix were confirmed by the Cromaris management, thus setting the framework for planning and making decisions related to sustainability issues, implementation of key ESG projects, performance evaluation, and reporting. The structure of the Cromaris Sustainability Report is aligned with the thus defined material topics and strategic goals. No additional evaluation of material topics by stakeholders was carried out in 2022, but we believe that this will be possible in the coming reporting periods, as intensive work has been done on a more advanced stakeholder engagement model starting in 2022 and continuing in 2023.

# Material topics

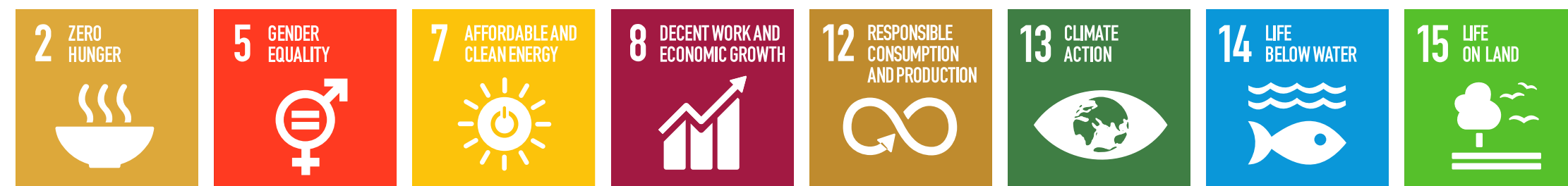
## GRI 3-2



## Cromaris' contribution to the UN Sustainable Development Goals (UN SDG)

In September 2015, the 193 member states of the United Nations adopted 17 Sustainable Development Goals, which include global goals for social, environmental and economic progress for the period 2015-2030. The UN Sustainable Development Goals (UN SDG) are a set of universal goals that seek to encompass the global challenges we face every day and provide guidelines on how to achieve a better and sustain-

able future. Targeted activities are aimed at solving the biggest challenges and risks facing society today. The UN SDGs were designed primarily for adoption at the level of countries, but the goals can and should be adapted to the business operations of economic entities. The SDGs listed below are considered material for Cromaris, i.e. to which the business activities of Cromaris currently contribute the most.



# Our stakeholders

## GRI 2-29

The company's success depends largely on identifying key stakeholder groups, their interests and expectations, the risks and opportunities arising from these relationships, and an active approach to managing these relationships. Cromaris' business activities affect diverse stakeholder groups, both internal and external. In 2022, Cromaris identified certain stakeholder groups as key, bearing in mind stakeholder interests and mutual influence. Additional activities are planned in 2023 that will help us evaluate material topics with the help of stakeholders and complement key economic, environmental, and social impacts,

both positive and negative. It is necessary to recognise the expectations of key stakeholders, and communication is important for successful engagement and dialogue.

The most important communication channels in 2022:

- **Website** – Updating the website with information on ESG initiatives, publication of the annual sustainability report, policies, and achievements.
- **Organisation of meetings and workshops** Organising meetings in 2022 was carried out only with certain stakeholders to discuss the key issues of ESG, the possi-

bilities of improving products, fish feed, packaging, procurement, etc. This way of communication provides an opportunity for an open exchange of opinions and new ideas.

- **Corporate newsletter** – Creating "Internal news" and distributing it by e-mail and message boards to all employees is an effective way of communicating the progress, news, and achievements of Cromaris in the field of ESG.
- **Collaboration with local media** – Local media, including portals, newspapers, and television, were used to share information about sustainable aquaculture.

- **Surveys and research** – Checking stakeholders' opinions through surveys or research can be useful for gathering feedback, ideas, and priorities. In 2022, employee satisfaction surveys and customer satisfaction surveys were conducted in Croatia and Italy.
- **Social networks** – Cromaris uses social networks (Facebook, Instagram, and LinkedIn) to communicate with stakeholders. Information is shared, questions answered, and discussions on sustainability issues encouraged.

## How we communicate and engage key stakeholders?

### Employees and employee representatives

- Employee satisfaction survey
- Internal news via e-mail
- HR open door day
- Volunteering
- Meetings
- Consulting
- Flyer with payslips
- Posts on notice boards

### Media

- Press trip
- Publications in newspapers, on portals, social networks

### Local community

- Coast cleaning campaigns
- Donations
- Lectures
- Open dialogue
- Website

### Suppliers

- Supplier ratings
- Audits
- Regular meetings
- Working meetings for finding more sustainable and affordable solutions, cooperation

### Customers and consumers

- Publications on social networks
- Customer satisfaction surveys
- Brand recognisability survey
- Fairs
- Events
- Meetings
- Responses to inquiries
- Website

### Legislative bodies and regulators

- Public discussions when adopting new rulebooks and regulations, i.e. legal acts
- Inspections

### Scientific community and educational institutions

- Cooperation on projects
- Working groups
- Panels
- Lectures

### Auditors and standard owners

- Annual surveillances
- Public discussions due to the introduction of new versions of standards



## Goals for 2022

Goals that were implemented during 2022 were set in 2021.

The pages of the report containing the review of the goals are marked with 

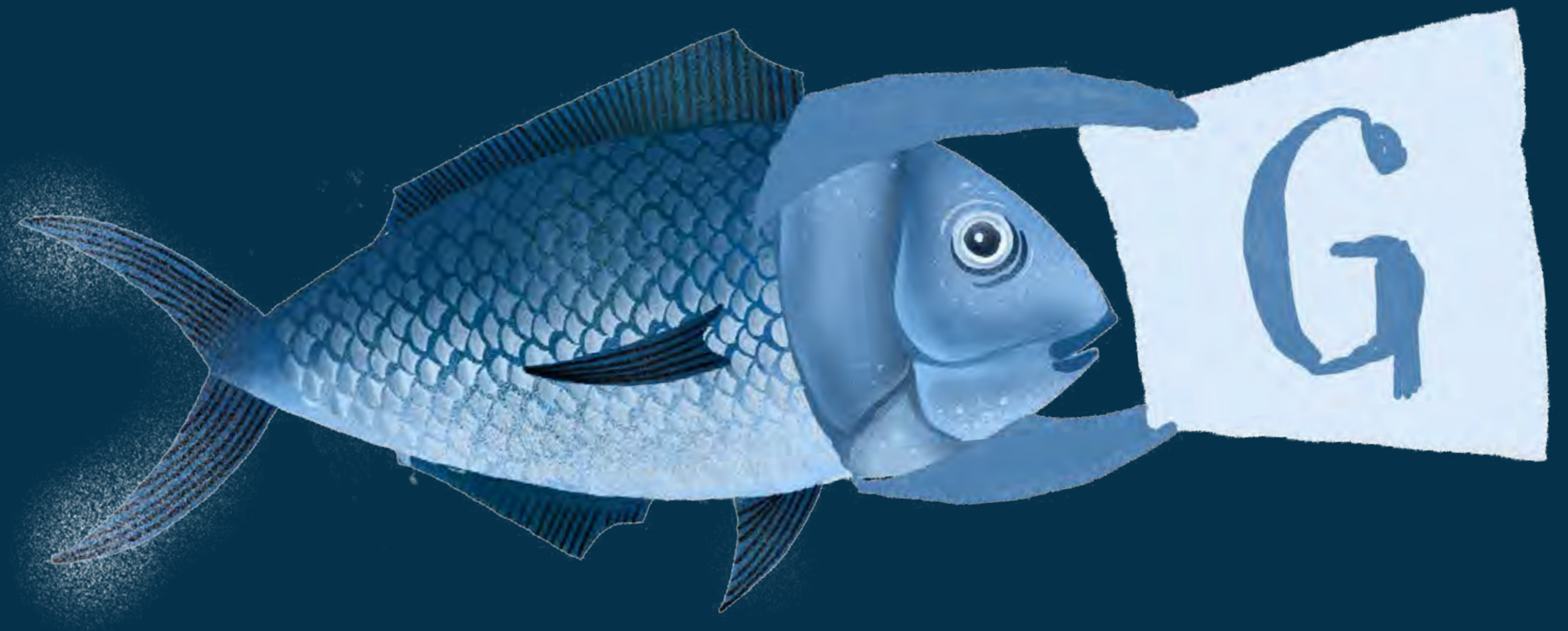
ESG goals	Material topic	ESG
1. Increasing organic production and placing a new product (organic meagre) on the market	Sustainable products and services	G
2. Continued monitoring of greenhouse gas emissions and implementation of emission reduction measures	Reducing the carbon footprint	E
3. Continued cooperation only with FSC-certified cardboard suppliers for our packaging	Sustainable supply chains	S
4. Integrating sustainability elements into procurement processes from 2022 onwards	Sustainable supply chains	S
5. Optimising Cromaris' portfolio packaging to reduce costs and quantities of plastic material placed on the market	Sustainable products and services	S
6. Reducing animal by-products and boosting circular economy	Waste management	E
7. Supporting educational institutions	Responsibility to the community	S

## Goals for 2023

ESG goals whose implementation will be monitored during 2023 were set at the end of 2022. In order to move ahead, enable progress measuring and reporting on the advances achieved, Cromaris has set concrete goals for 2023 and a plan of activities for achieving them.

ESG goals	Material topic	ESG
1. Reduce the number of occupational injuries	Occupational safety and security of employees	S
2. Increase employee satisfaction	Employee well-being	S
3. Increase care for the overall well-being of employees	Employee well-being	S
4. Encourage voluntary participation of employees in socially responsible activities	Employee well-being	S
5. Cooperation with educational institutions	Responsibility to local communities	S
6. Keep the number of donations to the local community/clubs	Responsibility to local communities	S
7. Reduce CO <sub>2</sub> emissions per tonne of fish produced by 25% by 2025	Reduction of carbon footprint	E
8. Retain the ASC certificate for all Cromaris farms	Sustainable products and services	G
9. Increase organic fish sales by 50% compared to 2022	Sustainable products and services	G
10. Improve the packaging management system	Sustainable products and services	G
11. Maximum recovery of animal by-products	Responsible waste management	E
12. Improve the system of separation of mixed plastic waste	Responsible waste management	E

# Business and compliance



# Sustainable products

## Organic production

Since the very beginning of its operations, Cromaris has strived for long-term sustainable production and already in 2012 certified its farm in Lim Bay in accordance with the EU regulations on organic farming, but also the most respected and strict certificate for organic fish production – Naturland. At the same time, we certified the hatchery in Nin, so that we would always have quality organic juvenile fish available, and the Gaženica

production and logistics centre, which enables us to process and thus market a wide range of BIO products. Increasing market demands and continuous growth in organic fish sales since 2018 have also been accompanied by an increase in production, and organic production from the Lim Bay has gradually moved to the larger Kudica farm in Dalmatia. Commitment to sustainability

2022 goal: Increasing organic production and launching a new product – organic meagre

is a strategic determinant and prerequisite for maintaining the leading position in the industry, and one of Cromaris' strategic business goals by 2025 is to become the largest producer of organic Mediterranean white fish in the world. In order to achieve our goal in the coming years, we started the conversion of conventional production into organic production at the Velo žalo farm in 2022 to increase our farming capacities.

## Share of organic fish in total biomass increased by 9% in 2022

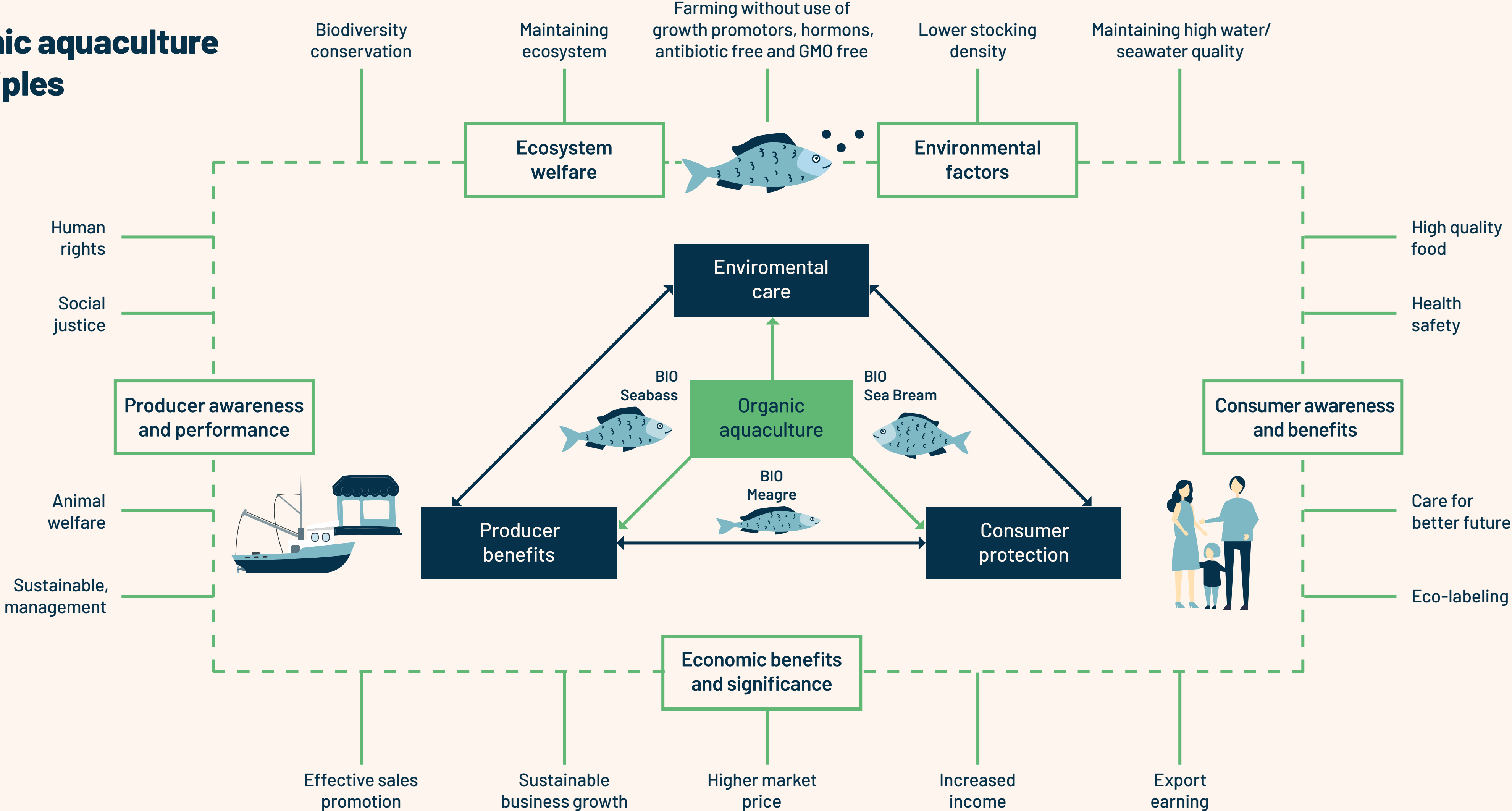


Also, we have expanded our BIO range with a new, organically grown species – **BIO meagre** – which has been available in sale since the end of 2022 as fresh whole fish, gutted or as fillets.

The development of the SKIN BIO sea bass, sea bream, and meagre fillets was also planned, to complete the range in accordance with the entire Cromaris offer.



# Organic aquaculture principles



## Achievement of organic production results

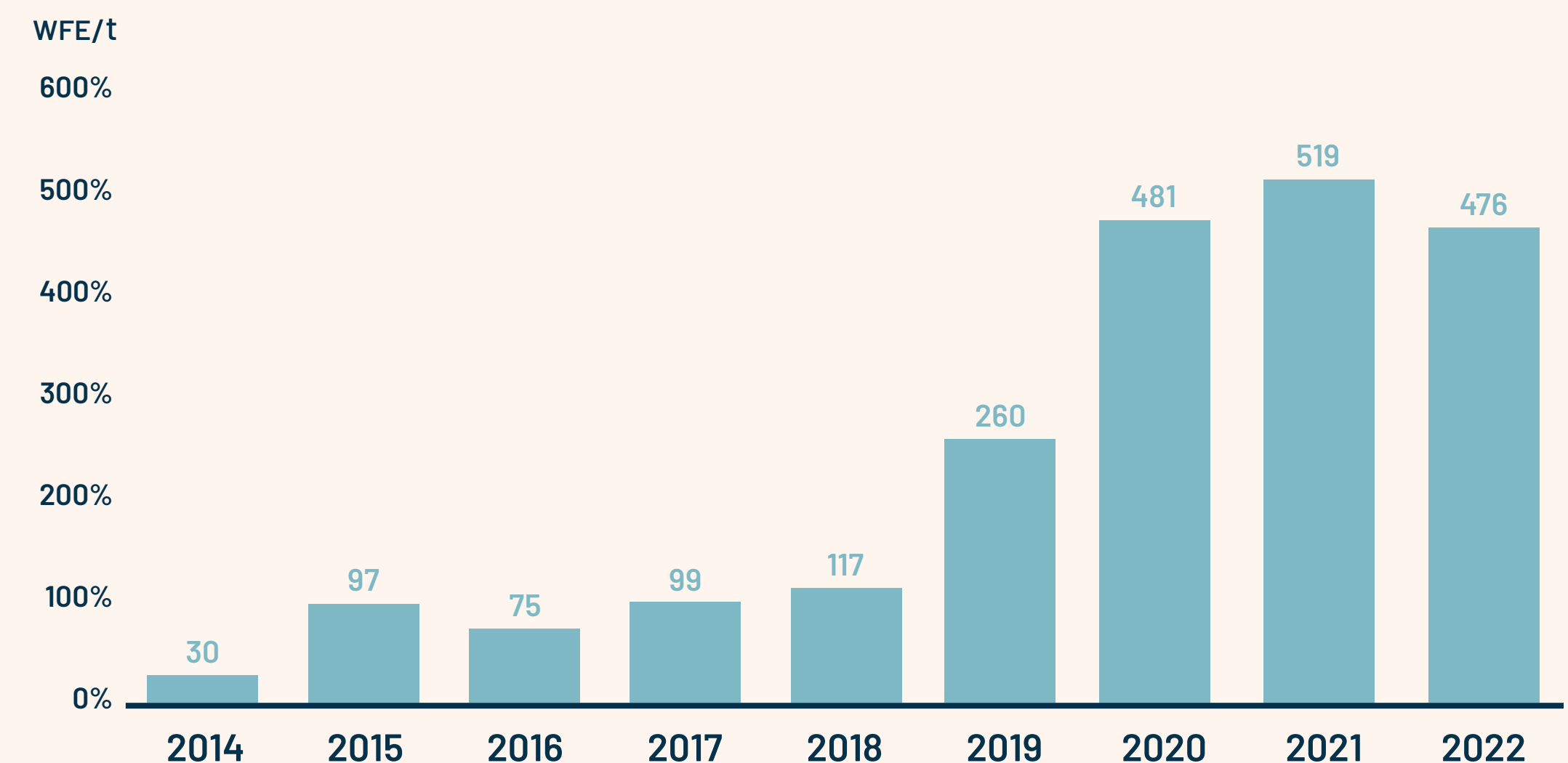
The sale of organic fish in Cromaris has been recording a continuous increase since 2018, with the peak of sales in 2021, which was marked by the trend of increasing consumption of healthy and organic products caused by the COVID-19 pandemic. Due to the geopolitical situation, the war in Europe, the rise in energy prices and merchandise, along with the growth of inflation, labour shortages, and the decline of the EU population by 585,000 people in 2022, there was a decline in the turnover and consumption of primarily luxury and organic products. Although further increase in the sales of organic products by 32% is planned in 2022 compared to 2021,

the desired result was not achieved, and we ended 2022 with the sales of 476t WFE.

Further activities, improvements, and opening of new customers and markets continue our path towards achieving the strategic goal of Cromaris to become the leading producer of organic white fish and increase the share of organic production year after year.

<b>Sales</b>	<b>WFE kg volume</b>
2014	30,892
2015	97,967
2016	75,655
2017	99,306
2018	117,287
2019	260,696
2020	481,426
2021	519,969
2022	476,338

Sales of organic fish from 2014 to 2022 in WFE (T)



## New species, new opportunities

Further development of new species, dentex and greater amberjack, continued in Cromaris in 2022. With the development of special fish feed adapted to the needs of these species, farming methods were researched and perfected. Dentex is a demanding predator, so industrial farming represents a great challenge. By conducting experiments on experimental platforms, the influence of different stocking densities and light intensities on the survival of dentex was studied. The results of the research were published in the form of a poster and presented to representatives of the profession at the Aquaculture Europe 2022 conference in Rimini, Italy. New farming species also require

a special approach in health care. Regular control of the health condition, sampling, and identification of bacteria that are the most common causes of diseases were used to create a database that helps us direct prophylaxis. In view of Cromaris' business decision to avoid the use of antibiotics, we are currently developing an autogenous vaccine for the dentex in collaboration with the HIPRA laboratory in Spain. Greater amberjack is a fast-growing species that can reach a weight of 1.5 kg in just 17 months in the temperature conditions of our farms. This is an important production fact because customers decide to buy fillets and steaks more and more due to their simple preparation, where-

by larger fish have the advantage due to better utilisation and simpler processing. In addition to farming and researching the technological

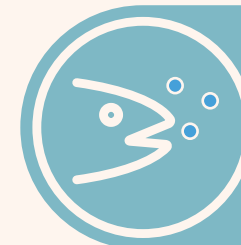
possibilities of growing greater amberjack, the focus in 2022 was on creating our own broodstock and closing the production cycle.



## Animal welfare and good aquaculture practice

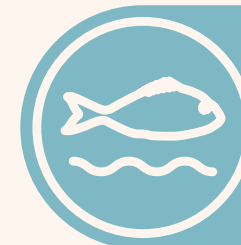
The welfare of farmed animals is one of the farming priorities. It is based on 5 animal freedoms and is embedded in the company's production and development plans. The principles of good breeding practice include the following:

1. Installation and regular inspection of cage systems and anchorages
2. Timely cleaning and/or changing of cage nets
3. Proper feeding with fish feed adapted to the fish species and control of fish growth and development
4. Fish vaccination and selection
5. Veterinary examinations and fish health protection plans
6. Good practice in fish manipulation throughout the farming process and especially during harvest



### Freedom from hunger and poor nutrition (by ready access to fresh food)

Cromaris fish is fed exclusively with quality feed made according to the best standards and rules of the profession and by our experts. Regular feeding, but also the use of automatic feeders, provides the fish with additional access to food.



### Freedom from discomfort (by providing an appropriate environment)

Zoo-hygienic conditions in cages, richness of dissolved oxygen, and adequate quality of the sea on Cromaris' farms provide fish with quality accommodation and protection from predators.



### Freedom from fear and stress (by ensuring conditions which avoid suffering and torture)

Wild members of the same species are faced with predators and fear of predation on a daily basis.



### Freedom to express behaviour inherent to the species (by providing sufficient space, proper facilities, and company of the animal's own kind)

Social contact of fish in a flock is ensured, and space is provided by well-planned stocking and appropriate densities in cages.



### Freedom from pain, injury, and disease (by prevention or rapid diagnosis and treatment)

Vaccination with zoo-hygienic measures is one of the measures that prevents animal suffering, allows them to grow optimally without disease.

In 2022, Cromaris is also the holder of the Antibiotic Free certificate according to the DNV's STP-80 technical specification, which confirms fish farming without the use of antibiotics. The Antibiotic Free certificate is the highest standard in consumer health and safety protection that demonstrates Cromaris' commitment to animal welfare, biodiversity conservation, and efforts to reduce global antimicrobial resistance. The importance of stopping the use of antibiotics and starting preventive therapies such as vaccination, in addition to protecting fish health, has a positive effect on human health. Bacteria develop resistance to antibiotics that are often used, "superbugs" are formed that, if they

infect a person, can cause great problems precisely because of the inability to treat them. Antibiotics become ineffective due to the excessive use and development of resistant strains of bacteria. Our own veterinary service inspects the farming cages and fish daily and monitors the behaviour and health status of the fish. Viruses, bacteria, and parasites are the most common causes of disease. Bacterial diseases are suppressed by good zoo-hygienic conditions and vaccinations, which achieves the resistance of fish and raises immunity. Regular net replacement is a key preventive action, and net management teams make great efforts throughout the year, especially in the summer months.

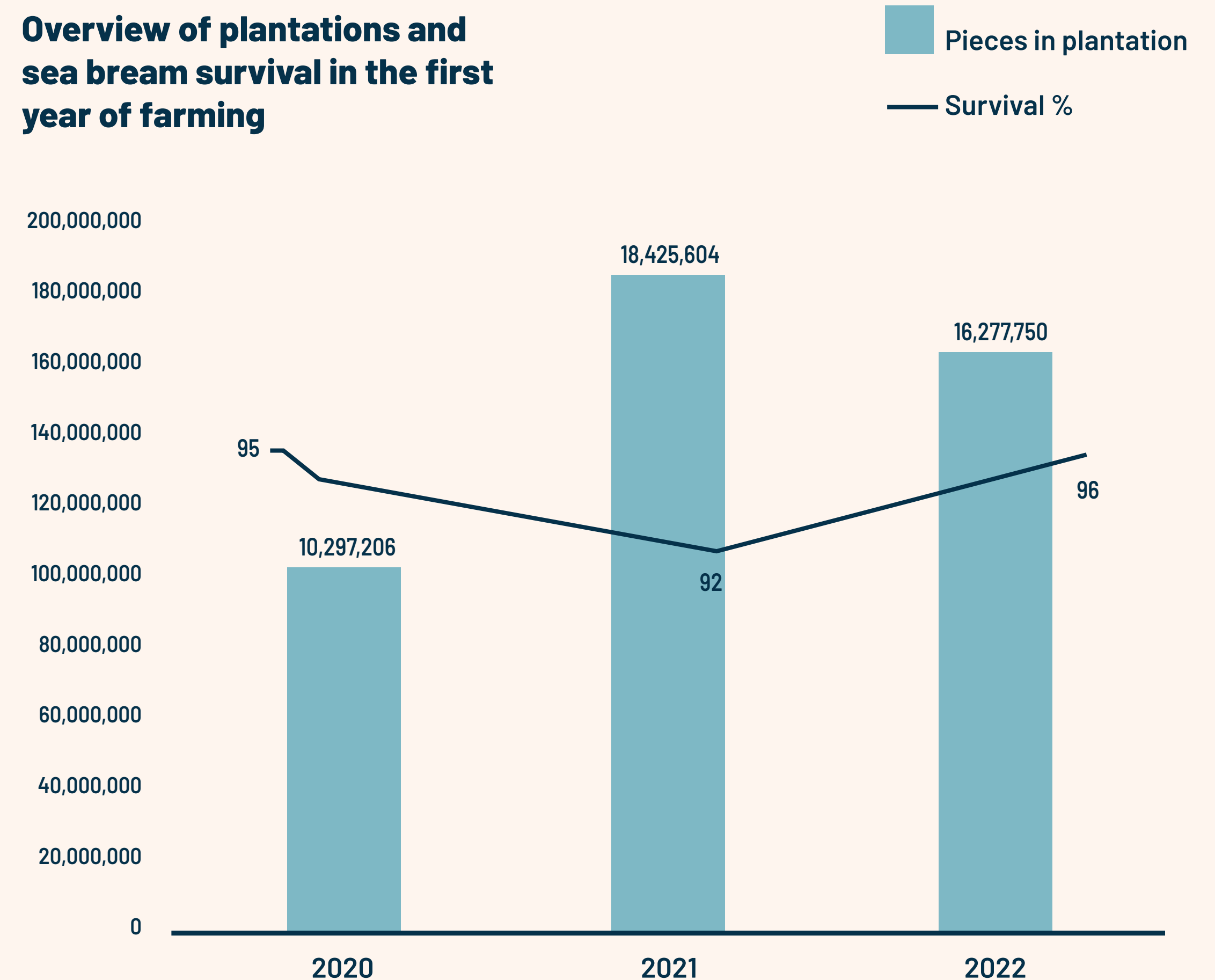


Parasitic diseases are becoming a growing challenge in white fish farming in the Mediterranean. Preventive measures and zoo-hygiene play a crucial role in their suppression. The veterinary team controls the level of parasitic infestation throughout the year to help predict trends and annual fluctuations. As part of the international scientific project “New Tech Aqua” and in cooperation with scientific institutions, we have devised a model for predicting the incidence rate of parasites, which will be published in a scientific

work in 2023 (“A stratified compartmental model for the transmission of *Sparicotyle chrysophrii* (Platyhelminthes: Monogenea) in gilthead seabream (*Sparus aurata*) fish farms”).

By applying the devised model in sea bream farming, we can predict the occurrence of parasites, react in a timely manner, and ensure optimal conditions that will ultimately result in a better survival rate of the sea bream, which is a direct indicator of animal welfare.

### Overview of plantations and sea bream survival in the first year of farming



## Fish feed

### Development of own formulations

Historically, fish feed formulations have lagged far behind in terms of sustainable farming principles. Farming of most high-value aquaculture species rests on a carnivorous diet, which is why traditional fish feed often contained large amounts of fish meal and oil. Therefore, aquaculture was often accused of contributing to the scarcity of these raw materials. However,

replacing a part of the fish meal and oil with plant-based fodder has proven to be extremely successful in solving this problem. The use of fish by-products derived from wild-caught fish also contributes to positive changes in the composition of fish feed. It is estimated that as much as 25% of the world's fish meal production comes from these by-products, which indicates the huge potential

of a more systematic collection of this type of raw materials and its placement in the production of fish meal. It is estimated that around 60 million tonnes of by-products are produced from fisheries and aquaculture worldwide alone (Ytrestøyl et al., 2015), creating an even greater potential for using these raw materials in fish meal production.



In 2022, Cromaris began with an innovative and comprehensive approach to formulating fish feed, with the aim of optimising its composition, in order to achieve optimal production, but also to meet the nutritional needs of fish. At the same time, it contributes to the goals of sustainable business because it favours raw materials from more sustainable sources.

During 2022, about 35,000 tonnes of dry pellets of fish feed were used in Cromaris' sea bass, sea bream, meagre, dentex, and greater amberjack farming.

The proportion and balance of all raw materials makes the feed for our species healthy.

Experiments of controlled feeding with feed from different producers in adapted cage systems on the farm, as well as research on the impact of fish feed on the quality of the finished product, have significantly contributed to further fish feed optimisation. Quarterly feed optimisation achieved a result in which we maintained optimal

nutritional values and influenced the farming performance (growth). Optimal nutritional values imply fish rich in omega-3 fatty acids and a balanced ratio of omega-3 and omega-6 fatty acids.



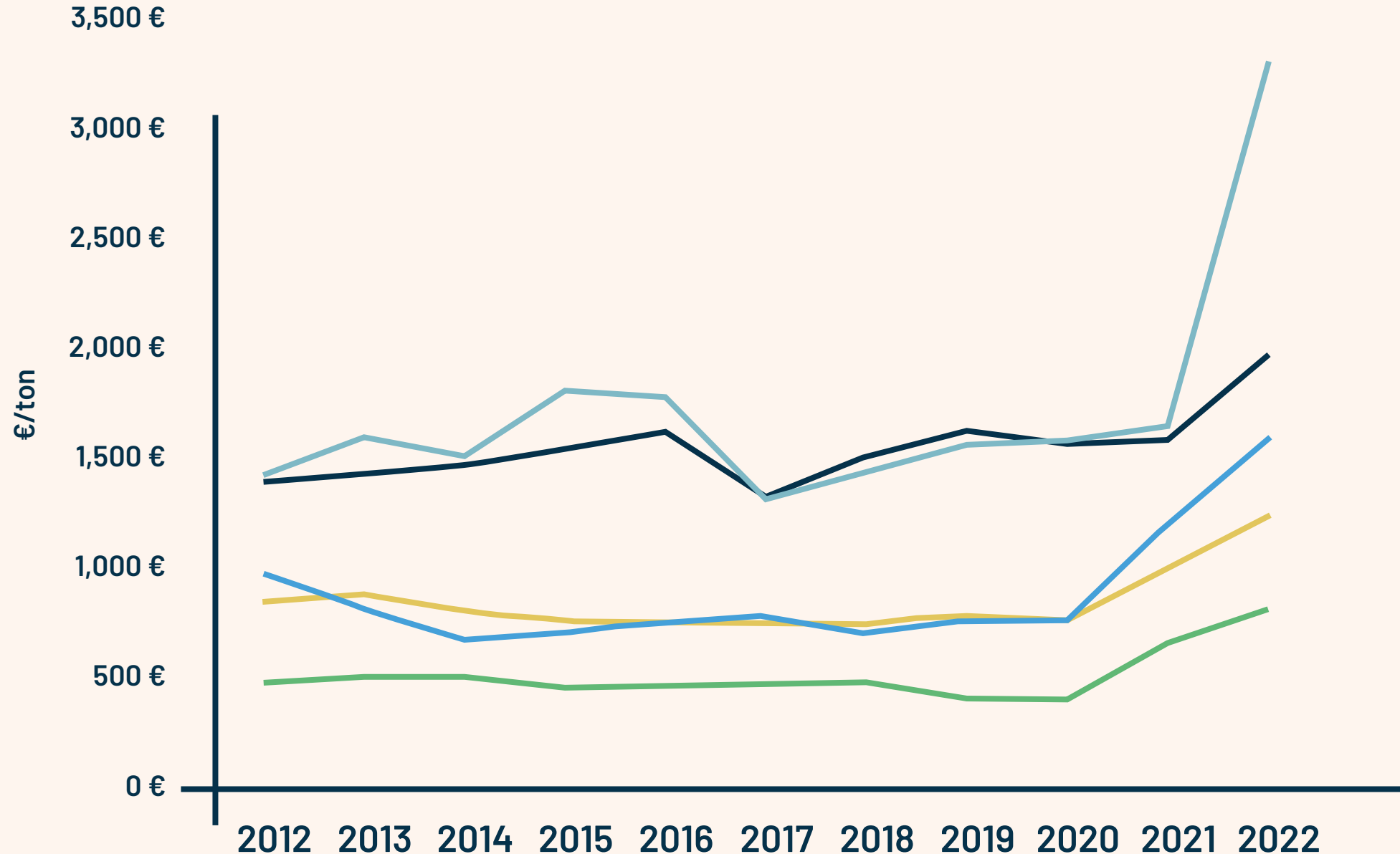
### Challenges in the raw materials market

Cromaris is working to continuously increase the share of by-products use in fish feed in order to support the circular economy, reduce the impact on biodiversity and on fish stocks in the seas. In 2022, 59% of marine raw materials included in fish feed came from fish industry by-products, which is a significant improvement compared to 2021, when the share was 47%. In addition to promoting sustainable raw materials, intensive efforts are being made to integrate new raw materials into fish feed. In 2022, Cromaris used test cages to start testing fish feed with new raw materials

included (e.g. linseed oils, macroalgae oils, and single-celled organisms proteins). Cromaris has been monitoring raw material price developments in the market since 2012. Due to significant increases in the prices of raw materials used in the production of fish feed, the emphasis in 2022 was on changes and adjustments in the share of raw materials in formulations. The price of fish feed was most significantly influenced by the increase in the price of fish oil, but also by its unavailability. In 2022, fish oil recorded a price increase of 200% compared to 2021.

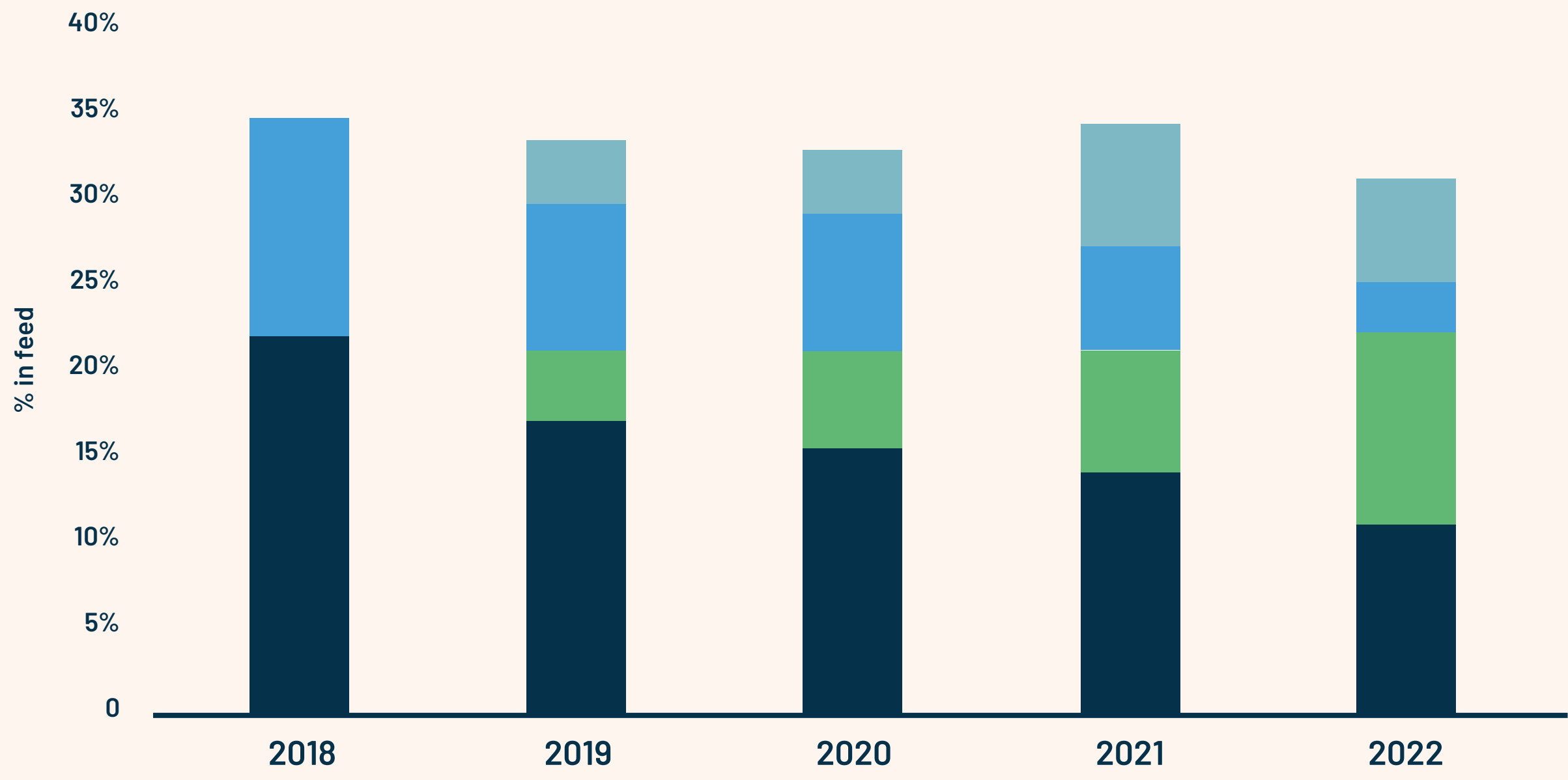
### Raw materials prices

- Fish meal
- Soy meal
- Fish oil
- Rapeseed oil
- Soy protein concentrate



**Development of sustainable raw materials in fish feed**

- Fish oil (by-product)
- Fish oil (harvesting)
- Fish meal (by-product)
- Fish meal (harvesting)



## **Maintaining the safety and quality of fish feed**

Cromaris has an established Fish Feed Quality Policy that promotes the responsible selection of raw materials for fish feed production. All fish feed is sourced from certified producers who ensure the quality and safety of all products in the chain. Fish feed does not contain raw materials that are of genetically modified origin. None of the fish feed used in Cromaris may contain antibiotics, hormones, and other growth stimulators.

Fish feed suppliers guarantee that all products produced and/or sold to Cromaris fully comply with EU and national regulations on the production and sale of fish feed. The traceability of all raw materials that enter the process of fish feed production is controlled semi-annually, for each supplier. All fish feed suppliers or producers have implemented a traceability system which enables the monitoring of the origin of raw

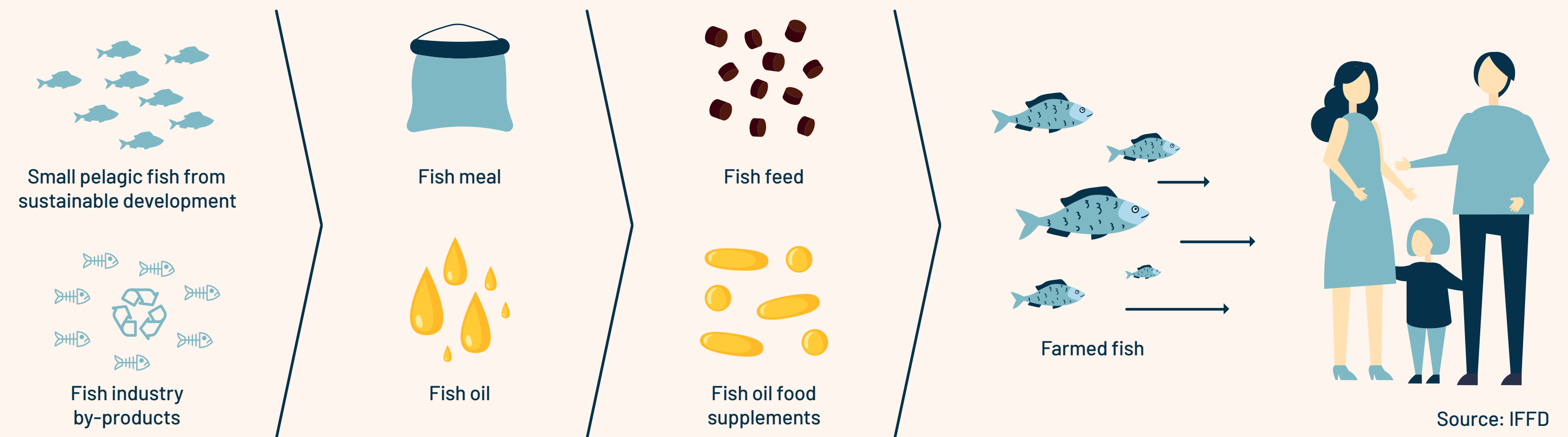
materials, quality and safety analyses, and the sustainability of each individual raw material. With its own formulations, Cromaris encourages the selection of sustainable raw materials with the long-term goal of increasing their share. Accordingly, fish meal and fish oil used by the fish feed producer must not originate from illegal, unreported, and unregulated (IUU) fishing. Also, all fish meals and fish oils used

for the production of fish feed are subject to controls aimed at determining their origin. Raw materials originating from fish of the same genus for which the feed is intended (sea bass, sea bream, meagre, dentex, greater amberjack) must not be used.

In accordance with the *Fish Feed Quality Policy*, Cromaris explicitly requires fish feed producers not to use the fish species or by-products of the fish species categorised as endangered or critically endangered according to the IUCN Red List of Endangered Species in the production process. Priority is given to fish meal and fish oil certified according to the *IFFO Responsible Supply (RS)* and/or *Marine Stewardship Council (MSC)* standard. Also, Cromaris requires that soybean products originating from sources certified under the *RTRS (Round Table on Responsible Soy Association)*, *ProTerra*, *SSAP (Soybean Sustainability Assurance Protocol)*, or similar certificates certifying that the soybean comes from sustainable sources are used in fish feed. Priority is given to products coming from EU countries.

		Aim	2020	2021	2022
FISH FEED	Certified sea raw materials in fish feed	100%	90%	95%	95%
	Certified soy products in fish feed	100%	100%	100%	100%
	*FFDR (fish meal) <1.85	≤ 1.85	1.8	1.38	1.66
	*FFDR (fish oil) <3.0	≤ 3.0	2.04	1.61	0.9

\*The forage fish dependency ratio (FFDR) the coefficient that shows the share of wild fish in fish feed.



## EU taxonomy

### **Classification of Cromaris activities based on compliance with the EU taxonomy as the key measure of contribution to the sustainability goals [Taxonomy Regulation]:**

In line with the obligations arising from the regulatory framework of sustainable EU finances, Cromaris assessed the eligibility of activities in relation to the EU Taxonomy for the first time for 2021, and a more detailed analysis was carried out for the purposes of this year's report. The first step was to identify its own taxonomy eligible activities in accordance with the technical

screening criteria. The second step was to determine whether these taxonomy eligible activities are taxonomy aligned in such a way that each eligible activity was checked as to whether it significantly contributes to one of the two climate goals or does not significantly harm any of the remaining five environmental goals. Based on the analysis of potential

compliance according to the technical verification criteria as prescribed by the regulatory framework of the EU taxonomy, it was concluded that the activities of Cromaris currently do not meet the compliance requirements, i.e. that this is difficult to verify for all activities that were carried out during 2022 and are so far only identified as taxonomically acceptable.

Namely, until the regulatory framework is fully formalized, and accordingly adequate monitoring systems are implemented in our company, a more conservative approach was applied in order to avoid the risk of incorrect reporting on the compliance of Cromaris activities. Such an approach will certainly contribute to the transparency of reporting in the following reporting periods.

**Cromaris' taxonomy eligible activities:**

<b>Area</b>	<b>Activity</b>	<b>Name of activity</b>
5. Water supply sewerage, waste management, and remediation	5.1	Construction, extension, and operation of water collection, treatment, and supply systems
	5.3	Construction, extension, and operation of waste water collection and treatment
	5.5	Collection and transport of non-hazardous waste in source segregated fractions
	5.8	Composting of bio-waste
6. Transport	6.5	Transport by motorbikes, passenger cars, and light commercial vehicles
	6.6	Freight transport services by road
	6.10	Sea and coastal freight water transport, vessels for port operations and auxiliary activities
	6.11	Sea and coastal passenger water transport
	6.15	Infrastructure enabling road transport and public transport
7. Construction activities	7.1	Construction of new buildings
	7.2	Renovation of existing buildings
	7.3	Installation, maintenance, and repair of energy efficiency equipment
	7.6	Installation, maintenance, and repair of renewable energy technologies
	7.7	Acquisition and ownership of buildings

**Key performance indicators**

After identifying taxonomy eligible activities, financial data was collected and analysed in the context of economic activities covered by the EU taxonomy and relating to key performance indicators (KPIs) – revenues, capital expenditure, and operational expenditure.

## Revenues

Cromaris' primary revenue-generating activities are not taxonomy eligible, which is expected given that it engages in fish production and processing, an activity not covered by the first two environmental goals of the EU taxonomy. Accordingly, the share of taxonomy eligible revenues in total revenues was 0,00% in the financial year 2022.

## Capital expenditure (CapEx)

For the purposes of calculating the KPIs related to CapEx, the numerator and denominator in the ratio are set out in points 1.1.2.1 and 1.1.2.2 of Annex I of the Delegated Act on Publications.

The analysis of capital expenditures recorded in 2022 identified capital expenditures that can be associated with environmentally friendly activities and the amount of these capital expenditures was included in the CapEx KPI calculation numerator. The most important drivers of the KPIs in recognised activities were investments in own real estate (installation of more energy efficient systems and materials). The denominator includes increases in tangible and intangible assets in 2022, before amortisation/depreciation and remeasurement, including those resulting from revaluation and impairment, for the relevant financial year and excluding changes in fair value (IAS 16 –

Property, Plant and Equipment; IAS 38 – Intangible Assets; IAS 40 – Investment Property) and the amount of increase in long-term leases (IFRS 16 – Leases).

The total amount of taxonomy eligible capital expenditures for Cromaris in 2022 amounted to HRK 8,911,557.70, while activity 7.6 Installation, maintenance, and repair of renewable energy technologies has the highest share of 12.31% (HRK 3,557,681.85) in the total denominator, which refers to the photovoltaic power plant in Nin.

It follows from the above that Cromaris' key performance indicator (CapEx KPI) for 2022 is 30.82%.

Cromaris' capital expenditures in 2022 which can be associated with environmentally friendly activities are:

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6.5. Transport by motorbikes, passenger cars, and light commercial vehicles

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7.1. Construction of new buildings

7.6. Installation, maintenance, and repair of renewable energy technologies

7.7. Acquisition and ownership of buildings

## Operational expenditure (OpEx)

For the purposes of calculating the KPI related to OpEx, the companies used the numerator and denominator set out in points 1.1.3.1 and 1.1.3.2 of Annex I of the Delegated Act on Publications in the ratio.

During 2022, the most important driver of the operational expenditure KPI were real estate-related costs, i.e. the costs of regular maintenance (regular servicing and repairs, extraordinary maintenance of equipment, predominantly mechanical and electrical, and cleaning of the real estate). These operating costs related to taxonomy eligible activities are included in the numerator of the OpEx KPI calculation, while the denominator consists of all costs of renovation of buildings, costs

of maintenance and repair (including cleaning costs), and short-term leases. They are part of the Costs of Employees, Costs of Materials and Services, and Other Operating Expenses in the Statement of Comprehensive Income in the Financial Statement.

The total amount of taxonomy eligible operational expenditure for Cromaris in 2022 amounted to HRK 10,088,600.98, whereby it was determined that the activity 6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities has the largest share of taxonomy eligibility in total taxonomy operational expenditures – namely 11.36% (HRK 3,511,198.57) and it refers to the costs of ongoing maintenance of equipment, ships, maintenance materials, repair and maintenance parts, cleaning mate-

rial, and other materials used. It follows from the above that Cromaris' key performance indicator (OpEx KPI) for 2022 is 32.64%.

As with other indicators, the conclusion is that Cromaris does not currently meet the compliance requirements.

Cromaris' operational expenditures in 2022 which can be associated to environmentally friendly activities are:

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- 5.3. Construction, extension, and operation of waste water collection and treatment
  - 5.5. Collection and transport of non-hazardous waste in source segregated fractions
  - 5.8. Composting of bio-waste

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  - 6.5. Transport by motorbikes, passenger cars, and light commercial vehicles
  - 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities

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  - 7.2. Renovation of existing buildings
  - 7.3. Installation, maintenance, and repair of energy efficiency equipment
  - 7.7. Acquisition and ownership of buildings

# ESG risk management

Effective risk management is a kind of view into the future of business in the context of the risks of potential events and impacts in the business environment with the aim of identifying and taking the necessary measures to minimise external risks, i.e. to avoid or reduce adverse impacts, in a timely manner.

Risk management is primarily the responsibility of the Management Board and management, however, the application of the precautionary principle implies the involvement of all units and departments. Given its strategic

importance, Cromaris has established a preliminary ESG risk monitoring system and actions to mitigate the identified risks. Each risk is assigned a risk owner who manages the risk and a team that works on risk mitigation actions, and the risks themselves are ranked according to the impact strength and the probability of realisation.

The risks faced by Cromaris in business can be environmental, social, and managerial. The identified material ESG risks for Cromaris include:

## **1. ENVIRONMENTAL RISKS**

impact of climate change in aquaculture, disruption of biodiversity and ecosystems, packaging management, and management of all types of waste

## **2. SOCIAL RISKS**

shortage of workforce and attracting talent to the company, negative perception of the local community, and risk related to consumer health

## **3. GOVERNANCE RISKS**

significant increase in the prices of raw materials and energy products, and price pressure of the competition, limiting concessions for mariculture

## Environmental risks

### Risk of climate change

Aquaculture is subject to the impact of climate change as farming activities take place in the marine ecosystem and exposure to weather conditions and sea temperature changes is high. As climate change affects fish farming, so does Cromaris' work affect climate change. Regardless of the fact that aquaculture as an industry contributes less to the carbon footprint compared to other food and manufacturing industries, it is important to monitor and manage own emissions and strive to reduce them. With some measures, implemented or planned, Cromaris aims to reduce its greenhouse

gas emissions and consequently contributes to reducing pressure on the climate and mitigating the changes that are taking place. The measures are described in more detail in the chapter **Reducing the carbon footprint**.

It is important to identify all risks and manage them so as to enable reaction in a timely manner, adaptation, and avoidance of negative impacts, and, on the other hand, taking advantage of the opportunities.

Changes in temperature, salinity, and consequently the pH of the sea in which the aquaculture takes place can be reflected in

the possibilities for farming some fish species, of which sea bass and sea bream are crucial for Cromaris. Faster fish growth due to higher sea temperatures can be an opportunity to be approached with serious changes in the technological process.

During 2022, all Cromaris farms intensively performed fish biometrics, i.e. measurements of the length and weight of fish over time and in relation to the sea temperature, with the aim of monitoring fish growth. By expanding the biometrics database for farming species and daily monitoring of sea temperature, technologists

better estimate and optimise the consumption of fish feed by each individual cage, thus adapting our technological process to the newly created conditions.

The availability and price of fish raw materials on the market and our commitment to the sustainable origin of raw materials encourage Cromaris to innovate by developing its own fish feed formulations and continuous improvements, in order to maintain the high nutritional value of fish feed, while optimising costs and minimising the impact on natural resources.

## The impact of Cromaris on climate change

## Climate change risks in Cromaris



## Impact of climate change on Cromaris

### Sea temperature rise RISK

- Heat shock
- More common fish diseases
- Reduced resistance of the fish, which can lead to increased mortality
- The need to use expensive foods with immunostimulants or treatment
- Invasive species penetration (potential predators or carriers of new pathogens)
- Rapid fish growth that can affect product quality, as well as fish welfare
- Increased eutrophication of the sea

### OPPORTUNITY

- Longer period with higher sea temperatures promotes growth

### Change in salinity, change in sea pH, change in dissolved oxygen content RISK

- Adaptation of the feeding regimes of fish in cages and changes in technological processes
- Long-term risk for the adaptation of individual species to new conditions

### Temperature extremes RISK

- Shortage of fish and vegetable raw materials on the market
  - Higher price of raw materials and fish feed
- ### OPPORTUNITY
- Changes to own fish feed formulations

### Extreme weather conditions RISK

- Inability to perform farming activities
- Disabled access to farms
- Damage to farming cages that can result in fish escape or mortality
- Damage to vessels
- Employee safety

## Risk of biodiversity and ecosystem degradation

By preventing escapes, farming exclusively native Adriatic species, optimised consumption of fish feed, regular veterinary examinations and zoo-hygienic measures, not using anti-fouling agents on our nets, not using antibiotics or underwater devices for dispelling predators, we try to reduce the risk of biodiversity degradation and reduce our impact on the ecosystem in the farm area.

## Packaging management and associated risks and opportunities

Cromaris regularly monitors the packaging development trends in the industry, as well as national and European regulations, participates in public debates and drafting regulations and laws on waste management in the Republic of Croatia. Compliance with legal regulations is one of the preconditions for the quality and success of the company's operations. We actively seek adequate, accessible, and sustainable solutions for packaging materials for our products. In accordance with regulatory measures, the need for additional labelling of packaging has arisen in order to facilitate the identification of the packaging

material and the manner of its disposal. Accordingly, an additional measure of applying a colour pictogram to the packaging was implemented during 2022, in order to point customers and consumers to a more responsible classification of packaging waste.



As part of the transformation project “Portfolio Value Optimisation” in 2022, polystyrene 6-kilogram cases with a reduced density of styrofoam balls were tested compared to the current cases used in Cromaris. Within the same project, one of the key products, MAP-packed sea bream, was transferred to a smaller PET tray, in order to reduce the placement of plastic packaging on the market. Cromaris sees an opportunity in using recycled materials where possible (e.g. cardboard packaging). All our suppliers of cardboard packaging in 2022 have been certified according to the FSC (Forest Stewardship Council) standard.

The use of cardboard transport boxes or recycled cardboard covers (from 60% to 100% recycle) for Cromaris products mitigates the impact on forest ecosystems. The opportunity that Cromaris has used is the recovery of waste styrofoam cases that are taken away by authorised collectors and used again as an additive for the production of new materials in the construction industry. Cromaris’ long-term goal is to ensure that all packages of Cromaris products are recyclable and properly disposed of.

### **Risk of improper waste management**

Hazardous and non-hazardous waste is sorted and stored in properly marked storages at all Cromaris locations and disposed of by authorised collectors with whom Cromaris has signed contracts. Waste management in 2022 is covered in detail in the Waste management chapter. The specific risk that Cromaris has in relation to waste is animal waste, which must be collected regularly in farms because it poses a risk to fish health. Last year, a composter was leased, and a pilot project was carried out in which 7.8 tonnes of

animal waste were processed. The main risks encountered during the implementation of the pilot project were the unavailability and/or lack of market interest in the new raw material. The project continues in 2023, when the success of the implemented project and further steps should be evaluated.

## Social risks



### **Lack of workforce and retaining existing talent within the company**

Cromaris is finding it increasingly difficult to find workforce in the production part of the operations due to the dynamics of growth and the fact that it operates in the county with one of the lowest unemployment rates. A programme of recommendations for the employment of external candidates was also introduced, which has been in force since 30 May 2022. Great attention is given to the active management

of this risk in Cromaris, which is confirmed by active cooperation with universities and polytechnics in Croatia, campaigns to attract new employees primarily of lower and secondary education, building the reputation of Cromaris as a desirable employer, and plans to retain talent within the company. In case of inability to find employees within the county/state, the shortage of employees in the production part of the business is compensated by attracting and training foreign workforce. In 2022, the share of foreign employees in Cromaris was 5.28%.



### **Negative perception by the local community**

A negative perception by the local community is a risk that occurs in every industry. As fish farming is linked to the coastal zone, where tourism is the most important branch of the economy, the perception of a part of the local community is that aquaculture has more negative than positive effects on the local population. Cromaris holds meetings with representatives of the local community on a regular basis, trying to reduce negative

opinions through a joint dialogue, understand their expectations, and contribute to the well-being of the island population, which makes up over 50% of the employees on our farms. We donate funds to improve infrastructure and support local sports and cultural events. Through numerous volunteering campaigns and trainings, we strive to introduce and explain the fish farming principles and our aspiration to protect the environment and biodiversity.



### **Product health safety and consumer health**

Due to their characteristics (microbiological sensitivity and binding shelf life), as well as the method of storage and transport (in the 0 – 2 °C temperature regime for fresh fish), Cromaris products can affect the health safety of the products and the health of consumers if the set parameters are not observed at all stages of production and in the supply chain. The basic principles of the European food safety policy defined within the European and Croatian laws on

food are implemented in Cromaris' operations and Cromaris' Quality, Food Safety, Environmental Protection, and Social Responsibility Policy. In accordance with hazard analyses at all stages of the production process, Cromaris conducts sampling of raw materials, packaging, semi-finished products, and finished products in an accredited laboratory, and additional analyses in an internal laboratory. If established hazard analyses show that the parameters controlled at certain control points deviate from the set ones, corrections and

corrective activities are performed to eliminate the hazard. If, however, it is found that a product distributed on the market has not met the strict requirements of food safety, a withdrawal or recall procedure shall be initiated and notified to the competent authorities, in accordance with legal regulations and the Cromaris' Food Safety Protocol. There were no withdrawals or recalls of Cromaris products in 2022 or in previous years.

## Governance risks



### Rising prices of energy products and raw materials

Significant increase in energy and raw material prices in 2022 was caused primarily by geopolitical instability, which resulted in a general increase in production and transport costs. In order to mitigate the impact of rising energy prices, the project of “Optimisation and management of the fleet of vehicles and vessels” was launched in 2022. One of its goals is to optimise

energy consumption in Cromaris. Also, at the end of 2022, a new photovoltaic power plant started operating on the roof of the hatchery plant in Nin, enabling direct conversion of solar energy into electricity. In addition to the above, the price of fish feed (which makes up over 60% of the fish production price) was also affected by the unavailability of certain raw materials on the market, and by adjusting the fish feed formulation, we reduced the direct impact on the fish cost

price, while maintaining the same level of quality. The above also reflected on the increase in the price of packaging material and through the implementation of the “Portfolio Value Optimisation” transformation project, as already described in the environmental risks, we mitigated the impact on the increase in the price of the products themselves.



### Competitive pricing pressure

Pressure on sea bass and sea bream prices by Greek and Turkish competitors in our main markets, rising inflation, and decreasing consumer purchasing power prevent prices from forming at a level that guarantees the planned profitability and long-term sustainable operation of Cromaris. The presence of competition with lower priced products leads to a decrease in the sales volume of our products, which, in addition

to the loss of sales margin due to the increase in the cost price of our products and an increased number of special offer sales (with additionally reduced prices), significantly affects the revenue achieved in 2022.

Exposure to price risk is particularly prominent in Italy, the world's largest market for Mediterranean fresh fish and the key Cromaris market. By establishing the Commercial Excellence department in 2021, an important strategic step forward was made to minimise the aforementioned risk. Price

policy, orientation to the premium segment of the market that shows lower price sensitivity, managing the commercial conditions of customers, managing products and directing their sales to channels and markets with the aim of increasing profits, optimising the assortment, developing new species (greater amberjack and dentex), effectively conducting promotional activities, and developing the fish category in all sales channels are the methods by which we strive to maintain competitiveness and resilience to the mentioned risk.



### **Limiting mariculture concessions**

Company growth and realisation of Cromaris' strategic plan to be the 3rd largest white fish producer in the EU depend on the production possibilities and awarded farming concessions.

Farming concessions are awarded based on the Maritime Domain and Seaports Act and the Concessions Act and define the exact farming position, area, and capacity. The lack of new areas for aquaculture in county and local spatial plans and the long and complex process of obtaining a concession pose a

significant risk. The late acquisition of new concessions has a direct impact on the growth of Cromaris' business, and the loss of existing concessions after the expiry of the concession contract represents an additional risk that should not be neglected. Accordingly, Cromaris assigned responsibilities for managing the processes of obtaining concessions and farming licences, the procedures for obtaining concessions have been revised, and contacts and cooperation with relevant external stakeholders have been established.

# Digital transition

## Our projects

Cromaris' digital strategy includes the introduction of new technologies to increase speed and flexibility in operations, quality digital support for development and research, and a high degree of automation of production processes so that new products could be marketed quickly. Digitalisation is also the key to a stronger integration of the supply chain with technological production and logistics systems. In Cromaris' cooperation with external partners, there is a great need for

more advanced management of collaborative processes, i.e. processes involving more than one legal entity, which is very difficult nowadays without digital communication.

**The fish feeding process automation** project was successfully completed in 2022. The aim of the project was to implement a digital platform for the realisation of manual feeding and automatic download of the data on feeding from the barges. This platform enables the transfer



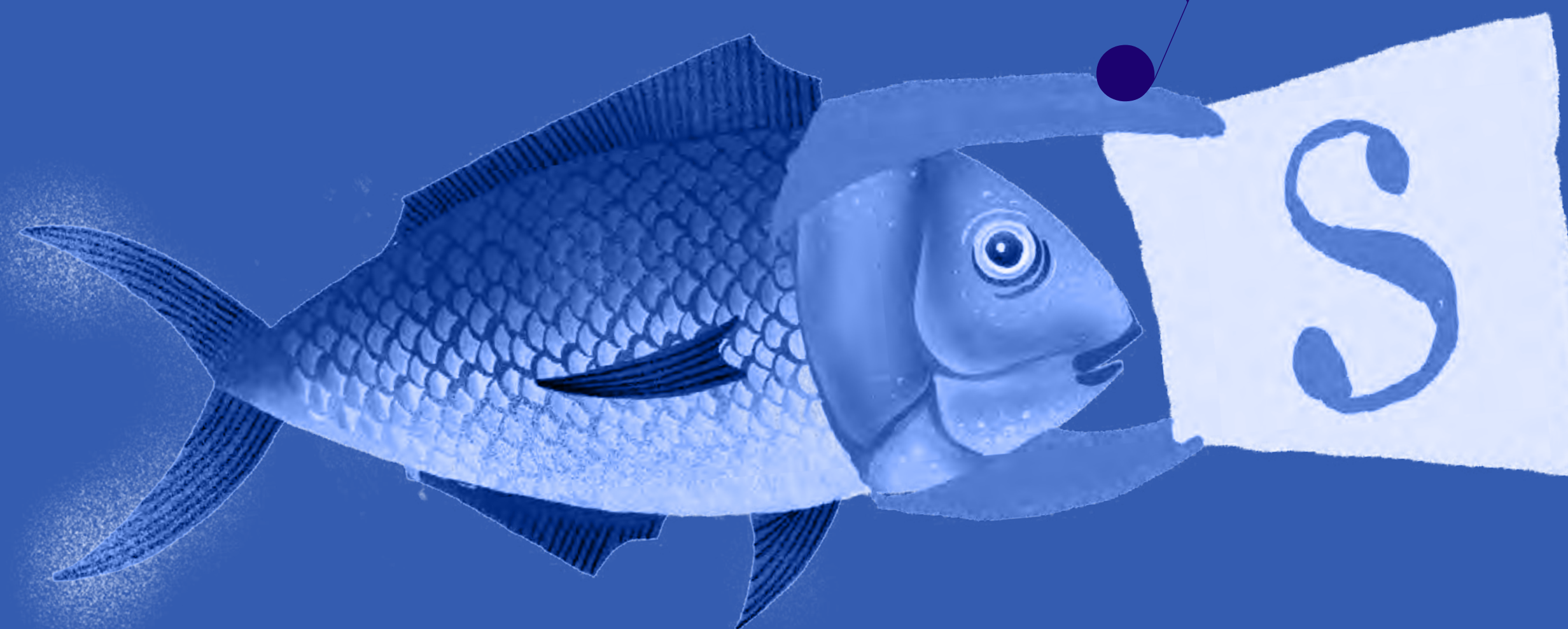
of the feeding plan from SAP to the hand terminals used by the feeders, easier management of the feeders' work tasks, and better feeding control for the technologists on the farm. The project of **optimisation and management of the fleet of vehicles and vessels** (Fleet Management) is also underway. The aim of the project is to provide the fleet manager with detailed data on the use of vehicles and vessels that will enable fact-based management, optimisation of fleet capacity, and energy and fuel savings. The project comprises two units: installation of GPS receivers and telemetry sensors on all vehicles and vessels, and connection of the above equipment to the

central software system for managing the collected data. In 2022, equipment was installed on vehicles and a data flow was established according to the central management system, and in 2023 employees will be trained to use the central system, the equipment will be installed on vessels, which will be connected to the central system. The development and **implementation of two advanced analytics systems** was successfully completed in 2022. They will be used for predicting sales, i.e. customer orders, and for calculating the quantities of fish harvesting by cages currently in harvest, with the aim of minimising overharvesting.

Predictive algorithms are periodically optimised even after they are put into production in order to constantly raise their accuracy. **The investment realisation management system** based on the SAP IM (Investment Management) module was implemented during 2022. Putting the system into operation is planned for early 2023, when the monitoring of the realisation of investments in 2023 will begin.



# Social responsibility



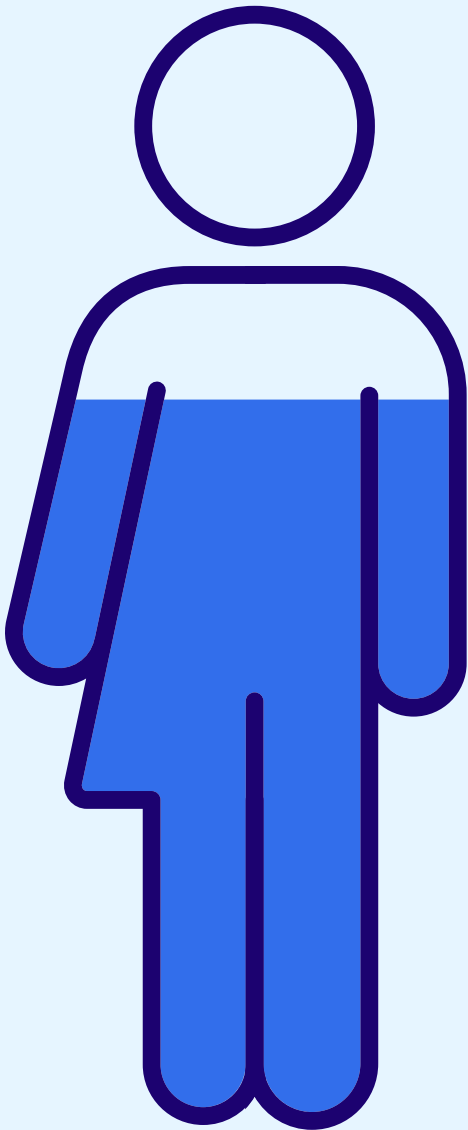
## Our people are our greatest asset

Employees are the most valuable resource of our company and a key source of competitive advantage, as they enable the creation and availability of our products to consumers, the creation and implementation of innovative ideas, and the construction of the desired corporate culture. We are committed to creating a healthy, safe, and stimulating working environment and thus continue to strengthen the status of Cromaris as a desirable employer, which attracts and retains quality employees with its working conditions and compensation model, business

challenges, organisational culture, and learning and promotion opportunities, as well as social sensitivity.

Cromaris is in the development phase, which is accompanied by sales growth, an increase in business activities, and, consequently, an increase in the number of employees compared to 2021. We want to give our employees confidence and ensure job security, so as many as 81% of our employees work under open-ended employment contracts, which is an increase of 14% compared to 2021.

**Number of employees: 592**



**Open-ended employment contracts: 81.3%**



# Employee well-being

The success of any company rests on the strength, knowledge, dedication, and motivation of its employees. Ensuring safe work for all employees is of utmost importance because the health and safety of employees is a business priority of Cromaris. Our employees are the primary stakeholder, and we systematically respond their needs and expectations and are upgrading the partnership relationship to keep our business

competitive and sustainable in the long term. This was also recognised in defining the new ESG policy at the level of Adris grupa, and employee well-being becomes one of the most important ESG topics, within which strategic goals are recognised – maintaining the status of a desirable employer and strengthening the employee engagement – and determine activities in the coming period.



## Employee health and safety

### GRI 403-1

Employee health and safety underpins Cromaris' operations at all stages of production and across the value chain. It is a top-level business priority and investments in progress are constant. The long-term goal is to develop a strong safety culture with an emphasis on mindset and raising awareness of the importance of prevention and the harm of consequences. The function of the occupational health and safety service includes systematic improvement of safety and health protection of employees and persons at work, prevention of occupational

injuries, occupational diseases, and other work-related diseases. Systematic improvement and constant awareness raising of employees is achieved through regular medical examinations, training, development of employees and their superiors with regard to occupational safety, additional training for handling machines and devices, regular testing of machines, devices, and work equipment. Trainings and practical exercises related to evacuation and rescuing of the injured and extinguishing fires are held every year.



With the aim of improving occupational health and safety in all parts of the operations, preventing occupational injuries, occupational diseases and other work-related diseases, as well as other (non)material damage at work, the “Procedure for verifying whether a worker is under the influence of alcohol or other addictive substances” has been prescribed, and controls are regularly carried out, as required by the Occupational Health and Safety Act.

The shortage of workforce and fluctuation of employees are one of the causes of greater likelihood of injury at work. There was a slight increase in the rate of occupational injuries (4.25%) in

2022 compared to 2021, when the rate was 3.89%.

All injuries that occurred in 2022 were minor. The serious injury rate was 0%, which is in line with the long-term strategic goal of Cromaris. 50% of all injuries that occurred in 2022 relate to slips and falls at the same level.

Any injury or accident at work that occurs is approached seriously, a detailed analysis is performed, and corrective actions are determined based on it. Any accident at work that does not have harmful consequences for employees or material damage is also approached in the same way.

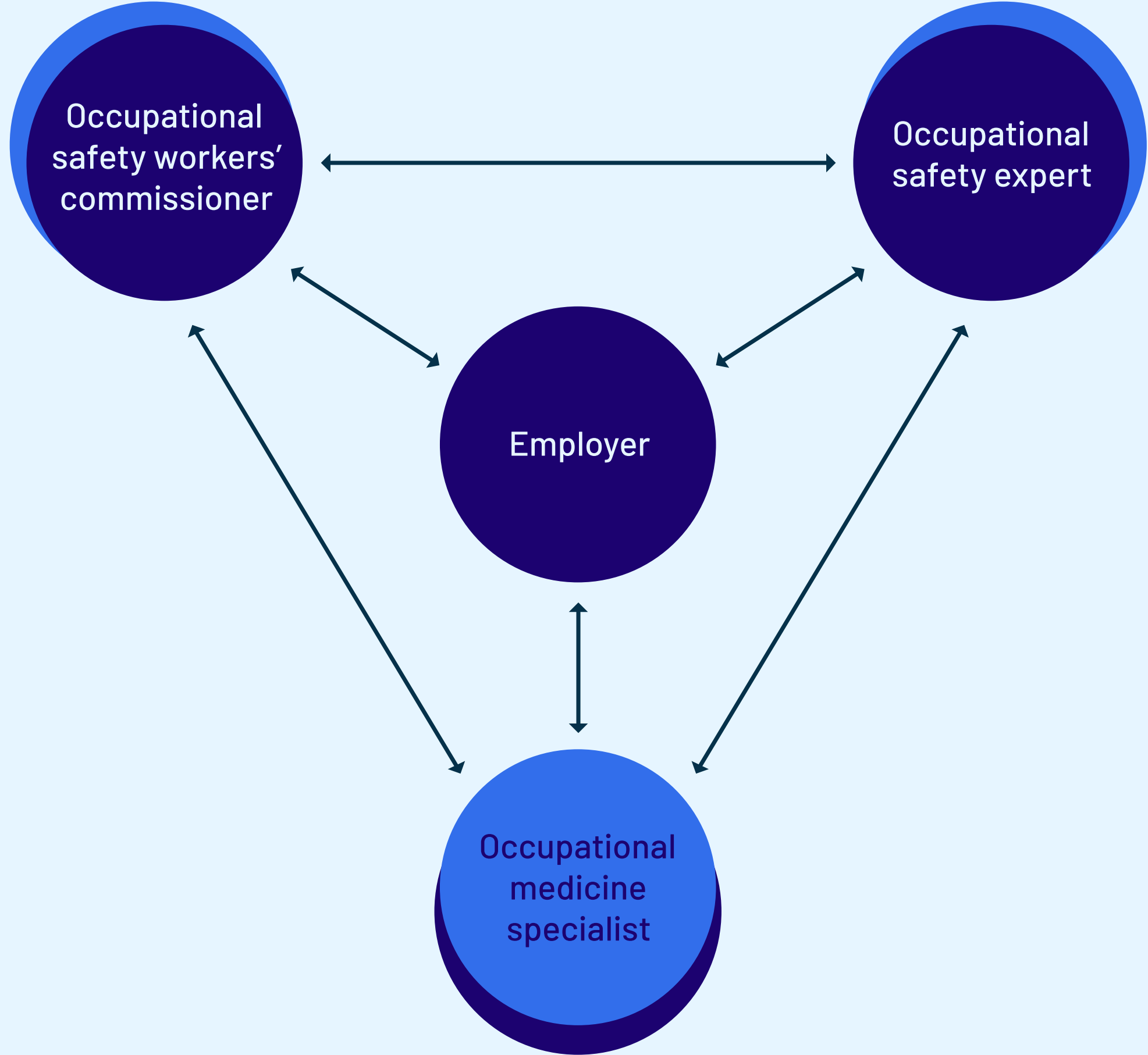
79% of employees performed jobs with special working conditions in 2022.



# Composition of the occupational safety committee

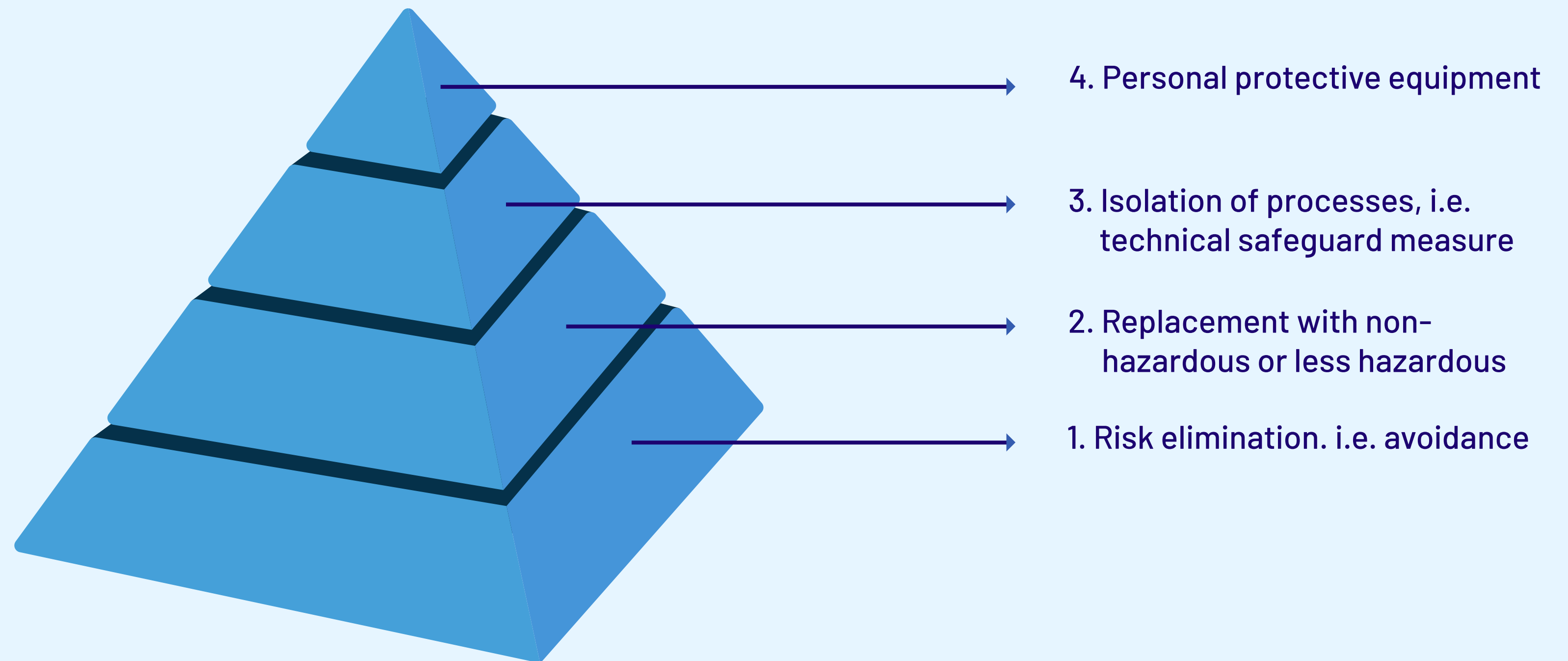
In order to approach the systematic improvement of safety and health protection in the best possible way, we have established the Occupational Health and Safety Committee. The Occupational Health and Safety Committee contributes to the improvement of the state of occupational health and safety, and thus, as an advisory body, plays a key role in the overall occupational health and safety in a business organisation. The Occupational Health and Safety Committee plans and supervises the application of occupational

health and safety rules, the organisation of occupational health and safety activities, informing and training related to occupational health and safety, and risk prevention.



## Hierarchy of safeguard measures

After Cromaris' job reorganisation in 2021, an additional job analysis was carried out during 2022. Based on the risk assessment, protective measures have been put in place to ensure safe work for each employee, as well as a safe working environment. When planning and implementing occupational health and safety measures, the hierarchy of protective measures was taken into account.



## Retaining the desirable employer status

Cromaris is one of the largest employers in the Zadar County. We employ about 600 employees on average, and more during the season. We are the leader of mariculture in Croatia, but we integrate the best technological achievements in the world, so we contribute significantly to the development of the industry on a global level with our business, innovative projects, research, and experiences. We operate in an environment with a long tradition of sea-related occupations, and modern trends and development vision challenge the company to systematically develop personnel

with specific knowledge, primarily in the field of marine science. We place an emphasis on hiring employees from the immediate environment, and this applies especially to island communities, as this encourages the development of small and often isolated communities and the retention of people on the islands. **The share of island population in the total number of employees is more than 20%, while as many as half of the employees on farm sites are from the islands.**

The new HR department, established in 2021, has already launched a num-

ber of initiatives in 2022 with the aim of better managing the company's most valuable resource. Given the low unemployment rate in the Zadar County and very unstable labour market conditions, the focus in 2022 was once again on retaining existing and attracting new employees. More successful attracting of new employees will be ensured by the implemented **standardisation of the selection process** based on best personnel management practices, which rest on transparency in the publication of tenders, objectivity in the implementation of the selection procedure, and ensuring equal rights and opportunities for all candidates.

## Over 50% of the employees at Cromaris farms are from the nearby islands



## GRI 401-2

A comprehensive analysis and evaluation of jobs and total incomes of employees was carried out to ensure internal fairness and competitive salaries in relation to the market, higher than the statutory salaries. New job systematisation has been introduced and job complexity classes have been defined.

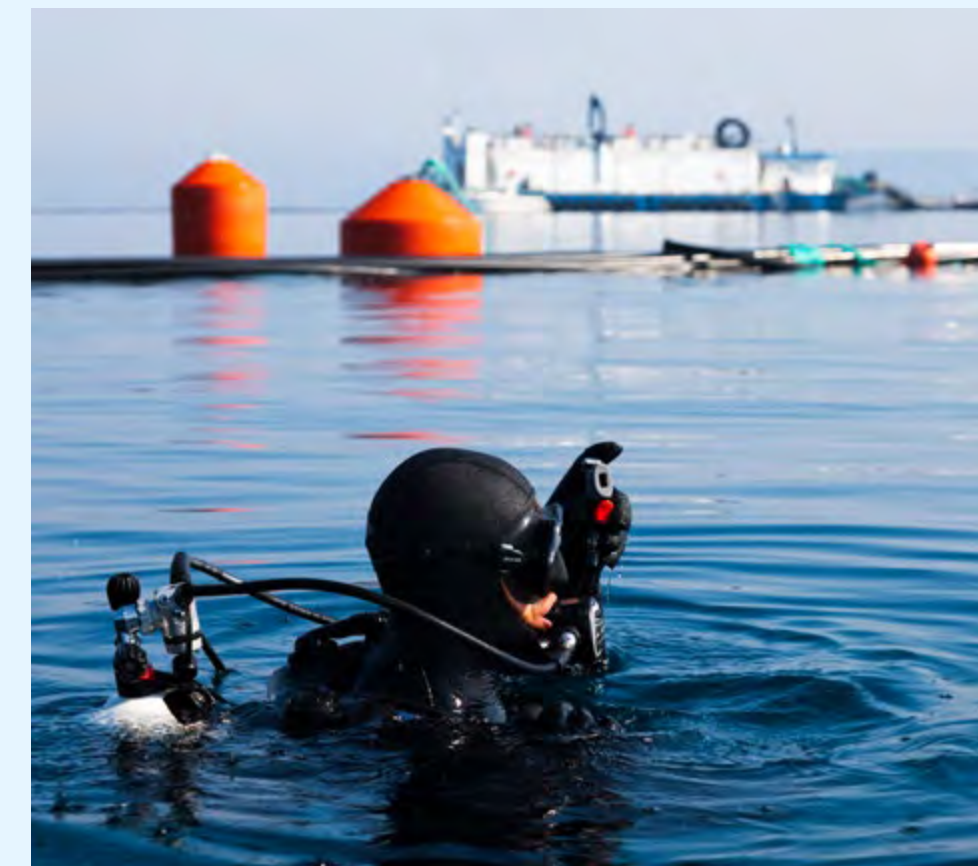
The model of employee compensation has been improved with the aim of increasing guaranteed material rights and a new collective agreement has been concluded that provides employees with numerous benefits and confirms a high level of social dialogue.

During the year, salaries were regularly increased based on

employee performance, and in October, a seasonal bonus was paid, as a reward to employees for additional contribution and conduct in accordance with corporate values. At the end of 2022, collective bargaining was reopened with the aim of further increasing the material rights of employees.

Employees working at Cromaris at all levels were provided with space for professional growth and development, with numerous opportunities for learning and horizontal mobility in the company. This ensures the acquisition and upgrading of specific knowledge and skills necessary for business continuity, achievement of goals,

and implementation of strategic projects. For this purpose, the company joins forces with the best domestic and European educational and scientific institutions, which is discussed in more detail in other chapters of the report.



## New collective agreement with increased material rights:

- **Salary bonus based on performance**
- **Bonus based on work conditions**
- **Gift for children under 15**
- **Easter bonus**
- **Christmas bonus**
- **Holiday bonus**
- **Jubilee awards**
- **Other financial support**

One of Cromaris' strategic determinants is attracting and recruiting young talents in line with the to current and future business needs. The successful and recognisable traineeship programme of Adris grupa "Future in Adris", which was implemented in several cycles, was a guideline for Cromaris' traineeship programmes "Future in Cromaris" and "Careers inspired by the sea", within which trainees were employed, who received the opportunity to work in the profession and learn from Cromaris' experts immediately

after completing their formal education. The development of their careers was systematically monitored during 2022 too and some of them have already been given the opportunity for permanent employment at Cromaris.

In order to keep up with the trends in the labour market in the immediate environment and to fill the shortage of jobs with a professional and competent workforce, the **Cromaris recommendations programme** was introduced. In this way, all employees become

the best Cromaris ambassadors – they can recommend friends, acquaintances, or family members who could suit the required position. In the event of a favourable employment outcome, they are entitled to a monetary reward. The recommendations programme has proven to be a very high-quality source of attracting candidates, so the company will continue to implement it.



## Strengthening employee engagement

Engaged employees think, feel, and act in accordance with the company goals, so it is very important to know what motivates them, i.e. where there is room for progress. In order to further develop a culture of diversity and inclusion based on teamwork, cooperation, transparency, and proactivity, Cromaris works to raise the quality of internal communications, increase the frequency of informal gatherings, initiate opportunities for solidarity and engagement in socially responsible activities in the workplace or outside of it (e.g. volunteering). Two-way communication is also important,

so employees are regularly encouraged to make suggestions and share ideas and take surveys, so that feedback, attitudes, and expectations of employees would be incorporated into planned initiatives. In order to further examine the key elements of employee motivation and the level of their satisfaction with working at Cromaris, an anonymous satisfaction survey was conducted in 2022, in which **73% of employees** volunteered to participate. The research covers 10 satisfaction dimensions (motivation, communication, engagement, organisation, flexibility,

**73 %** of employees participated in the work satisfaction survey

professional development, interpersonal relations, immediate superiors, company management (Management Board), and working conditions). On a scale of 1 to 10, **the average rating at the company level is 6.1, and the statistically more sensitive “Real Feel Index” is 6.7.** The survey showed a high level of employee engagement, with the organisation of work and internal processes being the highest rated. Based on the results obtained, areas for improvement were also identified, according to which action plans and a system of regular reporting on progress were defined.

Key HR indicators (e.g. fluctuations) are regularly monitored and exit interviews are conducted, based on which decisions on necessary corrective actions are made. All feedback provides valuable learning points on the way to a safe working environment where every employee can maximise their potential.

**Research showed a high level of employee engagement, and the organisation of work and internal processes was rated the highest.**

## GRI 407-1

In 2022, we made significant progress in social dialogue. A new Works Council was established, which facilitates communication, cooperation, and making important decisions that impact the rights and position of employees. Employees independently decide on trade union membership, and the Trade Union of Employees in Agriculture, Food and Tobacco Industry, and Water Management of Croatia (PPDIV) is active in Cromaris. Regular meetings are held with members of the PPDIV trade union and members of the Cromaris' Works Council.

In addition, **by appointing an employee representative to the Supervisory Board**, we ensure that employees participate in decisions that are important for the company's operations or affect their rights and position. Employees are additionally informed about changes important for the company's operations or their position through all internal communication channels and direct communication of managers with employees. Also, Human Resources organised **"Open Doors Days in HR"** on two occasions in 2022.



# Lifelong learning

## GRI 404-2

Lifelong learning and development of employees is one of our priorities, which we prove by continuously increasing the budget for training at all levels of the company. Internal and external trainings are organised in agreement with managers according to the defined development needs of employees and business needs of the company. Special focus is placed on planning succession in key positions in the company and targeted investment in professional and personal development of employees

to ensure timely transfer and retention of key knowledge and skills in the company. Therefore, ten nominated successors began attending the one-year **Franklin Covey online leadership programme** in 2022. In cooperation with a specialised partner, a management workshop was organised with the aim of strengthening team synergy and accepting diversity, and the desired outcome was the improvement of communication and cooperation, the development of empathy, and the construction of cohesion in the team development phase.

Cromaris employees gained and shared their expertise at numerous conferences, with the most prominent in 2022 being the Barcelona Sea Food, Aquaculture Europe 2022, HR Days, ESG Academy, 14th Conference on Sustainable Development, etc. Cromaris employees are offered the opportunity for professional training and retraining, such as tests for divers, forklift drivers, boat rides, seafarers, foreign languages, and numerous other training and development programmes.



# Equal opportunities

## Diversity, equal opportunities, and non-discrimination

### GRI 405-1, 406-1

We are committed to creating a professional work environment in which our employees are treated with respect, and which has zero tolerance for illegal behaviour, discrimination, or harassment based on gender, age, race, ethnicity, religion, sexual orientation, disability, or any other characteristic. In this way, we guarantee a professional

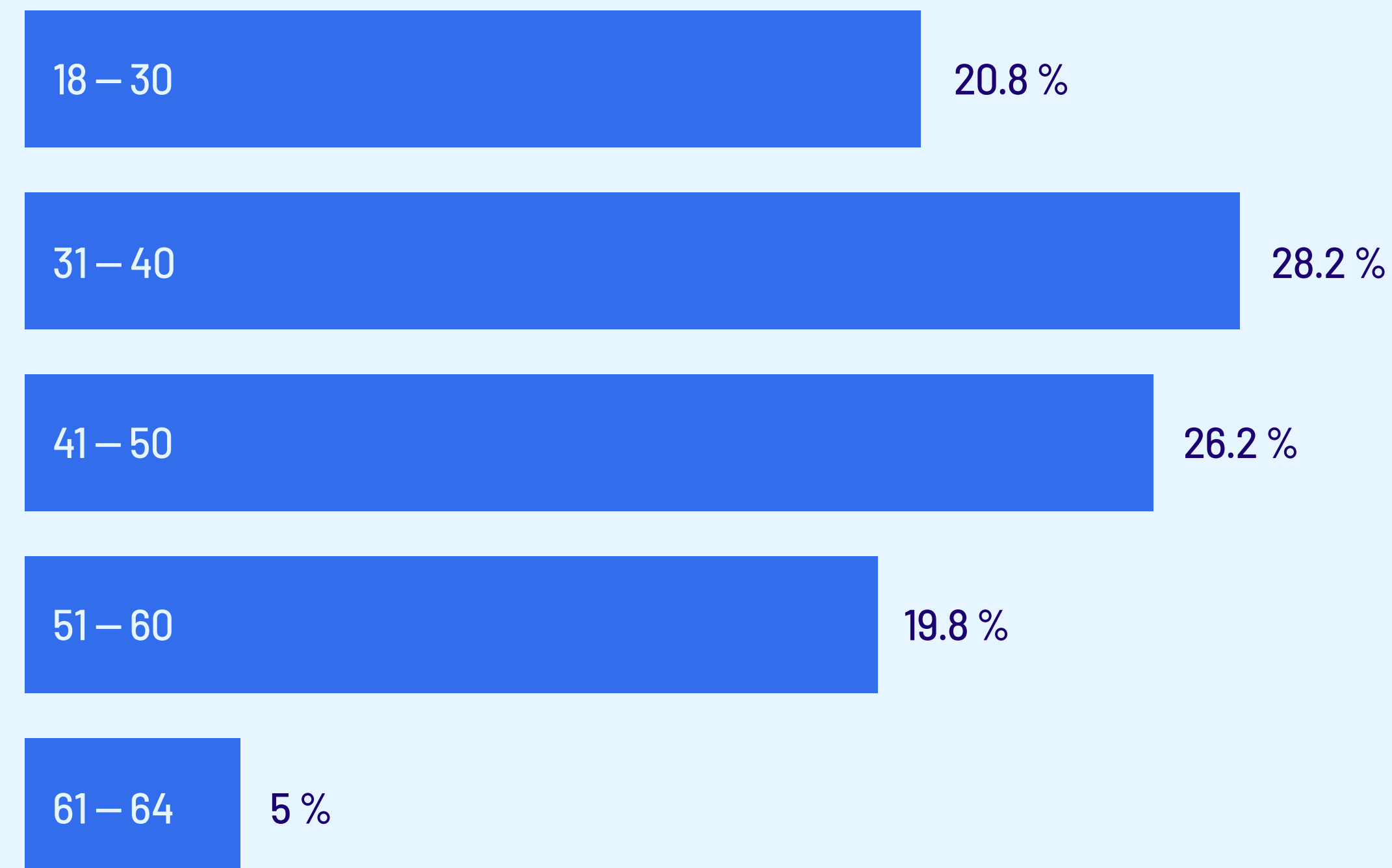
working environment, and all our employees are familiar with our non-discrimination policy. All decisions related to the implementation of the selection procedure, hiring, and employment are based on transparency, objectivity, and relevant factors, primarily qualifications and work performance, which is supported by the fact that there were no recorded cases of discrimination in the company in 2022. During 2022, we also worked on the adoption of the Code of Ethics, which prescribes principles, standards, and

acceptable treatment in all forms of business relationships and employment, and which is in line with the Code of Ethics of Adris grupa. The entry of the Code of Ethics into force was planned for the beginning of 2023, at the same time as the establishment of the Ethics Committee. The *Ordinance on the procedure of internal reporting of irregularities* was also adopted in 2022 and decisions were made on the appointment of a trusted person for internal reporting of irregularities. We encourage a culture of equality within the company,

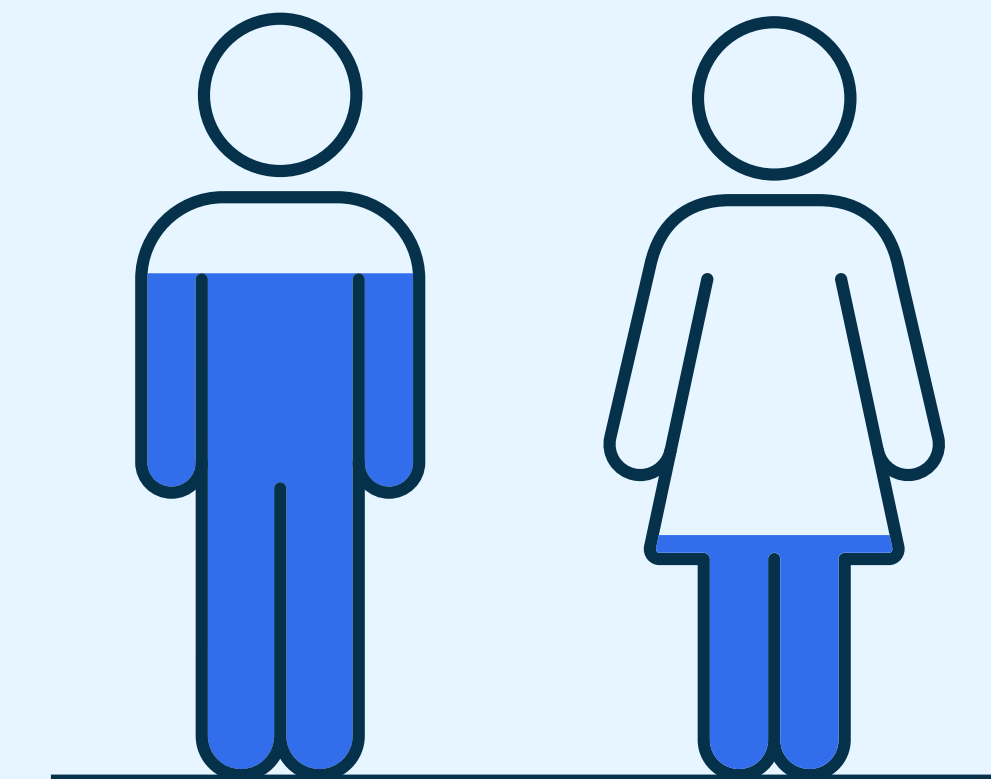
without drawing a distinction between employees, even on the basis of gender. In choosing the best person for each job position, we evaluate skills, knowledge, and education, as well as professional and practical experience. On 31 December 2022, 17 employees were employed in managerial positions at the company level, of which 29% were women and 71% were men. Management includes members of the Management Board and the first level below the Management Board.

## Age structure of employees

Age

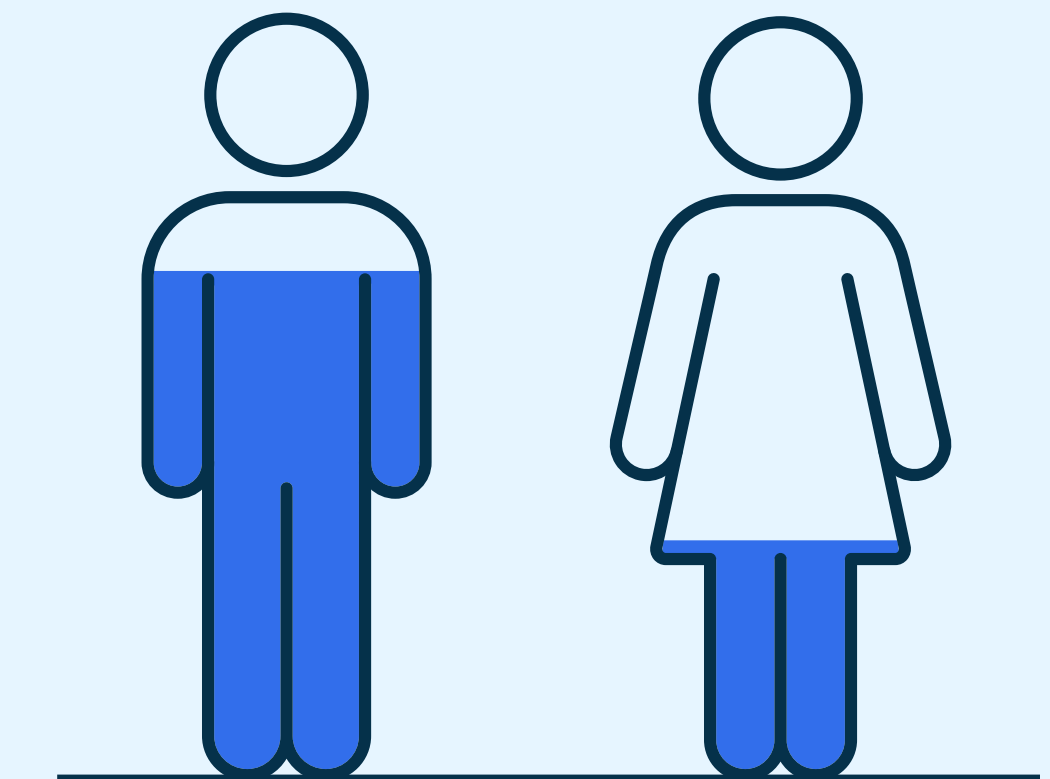


## Structure of employees according to gender



**69.3 %**   **30.7 %**

## Structure of employees according to gender on C-level and managerial positions



**71 %**   **29 %**

# Responsibility to the community

## Cooperation with scientific and educational institutions

Cromaris regularly cooperates with scientific and educational institutions with the aim of raising the level of knowledge in the company and achieving excellence in specific areas for which we do not have classically educated staff. Cooperation is two-way, because it is also important to share knowledge by organising workshops, educational presentations, participation in scientific and working groups, and projects, which contributes to the development of mariculture in general. It also has an affirmative effect and introduces young people to career opportunities in mariculture, demonstrating the diversity, opportunities, and challenges of

the future vocation, as this information is not available in the course of regular education. Cooperation with scientific institutions also enables involvement in a number of important EU projects, which places Cromaris at the very top in the research and development of new technologies and knowledge in mariculture.

During 2022, some long-standing cooperations continued and new ones began. We cooperated intensively with the Faculty of Agriculture of the University of Zagreb, the Department of Marine Studies of the University of Split, the Department of Ecology, Agronomy and Aquaculture of the University of Zadar, the University of Applied Sciences Baltazar Zaprešić, and the Secondary Medical School in Rijeka.

Within the SEA-EU DOC project, “The problem-solving skills” workshop for

doctoral students was organised in cooperation with the University of Split. In order to master one of the most important soft skills in the real sector, students worked on real cases and then implemented these solutions into the business.

Our long-standing cooperation with the University of Zadar continued this year, during which we provided our support to university experts in the implementation of the I-More project, which aims to encourage innovation in the field of aquaculture and is especially oriented to the monitoring of various physiological parameters that change under the influence of stress in the farming of greater amberjack. We jointly participated in the project application with the aim of encouraging new skills and knowledge in the blue economy sector, on which we continue to work.

## Cooperations in 2022:

- Faculty of Agriculture of the University of Zagreb
- Department of Marine Studies of the University of Split
- Department of Ecology, Agronomy and Aquaculture of the University of Zadar
- University of Applied Sciences Baltazar Zaprešić
- Secondary Medical School, Rijeka
- Agricultural, Food and Veterinary School Stanko Ožanić, Zadar
- Ruđer Bošković Institute, Zagreb
- Croatian Chamber of Economy
- Aeres University of Applied Sciences, The Netherlands
- University of Trieste, Italy
- University of Udine, Italy
- Istituto Zooprofilattico Sperimentale delle Venezie, Italy
- University of Bologna, Italy

Cromaris experts, in cooperation with the university staff, conduct research and publish scientific papers in renowned international journals and jointly participate in and present the results of research at scientific and professional conferences in Croatia and the world.

This year, the article “Histological assessment of systemic granulomatosis progression in meagre *Argyrosomus regius* during cage on-growing phase” (authors: Gustinelli, Andrea; Čolak, Slavica; Quaglio, Francesco; Sirri, Rubina; Kolega, Matko; Mejdandžić, Danijel; Barić, Renata et al.) was published in the journal “*Diseases of Aquatic Organisms*”, and the article “First report of *Ktariella polyorchis* (Monogenea: Calceostomatidae) infection in

farmed meagre *Argyrosomus regius* (Actinopterygii: Sciaenidae), with a review of calceostomatid parasites of wild and cultured fish” (authors: Tedesco, Perla; Gustinelli, Andrea; Caffara, Monica; Kolega, Matko; Čolak, Slavica; Mejdandžić, Danijel; Baranovic, Vicko; Fioravanti, Marialetizia) in the journal “*Aquaculture Reports*”. Also, a poster was published on the topic “The effect of light intensity on the growth and survival of common dentex *Dentex dentex*” (authors: Petani, Bruna; Čolak, Slavica; Barić, Renata; Uhoda, Anđela; Kolega, Matko; Mejdandžić, Danijel; Mustačić, Bosiljka; Župan, Ivan; Bavčević, Lav; Šarić, Tomislav) and presented at the conference “*Aquaculture Europe*” in Rimini.

> Dis Aquat Organ. 2021 Jul 15;145:165-172. doi: 10.3354/dao03606.

### Histological assessment of systemic granulomatosis progression in meagre *Argyrosomus regius* during cage on-growing phase

Andrea Gustinelli<sup>1</sup>, Slavica Čolak, Francesco Quaglio, Rubina Sirri, Matko Kolega, Danijel Mejdandžić, Monica Caffara, Renata Barić, Maria Letizia Fioravanti

Affiliations + expand  
PMID: 34263731 DOI: 10.3354/dao03606

**Abstract**

Meagre *Argyrosomus regius* is a potential candidate for Mediterranean aquaculture diversification, although several health issues still represent important bottlenecks for its sustainable production, including systemic granulomatosis (SG). To evaluate the SG progression in meagre during a 10 mo

 Aquaculture Reports   
Volume 24, June 2022, 101105

### First report of *Ktariella polyorchis* (Monogenea: Calceostomatidae) infection in farmed meagre *Argyrosomus regius* (Actinopterygii: Sciaenidae), with a review of calceostomatid parasites of wild and cultured fish

Perla Tedesco<sup>a</sup>, R. Sirri<sup>a</sup>, Andrea Gustinelli<sup>a</sup>, Monica Caffara<sup>a</sup>, Matko Kolega<sup>b</sup>, Slavica Čolak<sup>b</sup>, Danijel Mejdandžić<sup>b</sup>, Vicko Baranović<sup>b</sup>, Maria Letizia Fioravanti<sup>a</sup>

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**Highlights**

- First report on the occurrence of *Ktariella polyorchis* in farmed *Argyrosomus regius*.

### The effect of light intensity on the growth and survival of common dentex *Dentex dentex* (L., 1758)

B. Petani<sup>1</sup>, S. Čolak<sup>2</sup>, R. Barić<sup>2</sup>, A. Uhoda<sup>1</sup>, M. Kolega<sup>2</sup>, D. Mejdandžić<sup>2</sup>, B. Mustačić<sup>1</sup>, I. Župan<sup>1</sup>, L. Bavčević<sup>1</sup>, T. Šarić<sup>1</sup>

<sup>1</sup>Department of ecology, agronomy and aquaculture, University of Zadar, Trg Kneza Viskaria 5, 23000 Zadar, Croatia (bpetani@uniz.hr)  
<sup>2</sup>Cromaris d.d., Buzenčička ul. 48, 23000 Zadar

**INTRODUCTION**

- Common dentex (*D. dentex*) belongs to the family of the Sciaenidae (Figure 1). It is characterized by rapid growth, high meat quality and it is a very desirable candidate for aquaculture farming (Aberlan, 2005).
- Common dentex rearing in the Republic of Croatia began in the 1990s, but was not successfully implemented commercially.
- The assumption is that low survival rates were present due to inadequate level, feeding conditions and diseases (Petani et al., 1994).

**MATERIAL AND METHODS**

- The research was conducted in the middle Adriatic, at Misa Laminara fish farm, Braşno breeding site on the south side of the island of Ugljan, Croatia (Figure 2).
- *D. dentex* with initial average weight were distributed in four floating cages (9 x 5 x 5 m), 4 000 fish were placed in each cage (Figure 3).
- Experimental design included two groups of common dentex where the first group was shaded (K1 and K2) and the second group was exposed to natural light (K3 and K4).

**RESULTS**

- The experiment was conducted from January to June 2020. In the period of our research, sea temperatures oscillated from 13 °C in February to 19 °C in June when the sea temperature was the highest.
- The month of June showed the greatest improvement in the obtained average weight of all cages. K1 was the smallest, K2 and K3 were in a small difference from each other while K4 got the most on weight (Figure 4).

**CONCLUSION**

- The results we obtained do not confirm that light affects the growth of individuals because there is no statistically significant difference in the total growth of fish farmed under light and shade.
- There is no negative impact of light founded on the fish growth and survival of common dentex exposed to light compared to the group of common dentex that were in the shade. However, this experimental results can be useful for better future selection of aquaculture technology for this new species.

**REFERENCES**

1. Petani, B. (2010) Culture of common dentex *D. dentex* L. (Perciformes: Sciaenidae) in Croatia. *Journal of Aquaculture*, 10, 101-105.  
2. Štremelj, S., Okorn, F., & Bolek, B. (2004) Growth, survival and general parameters in common dentex (*Dentex dentex*) reared in floating cages. *Journal of Aquaculture*, 10, 101-105.



In 2022, cooperation with the Ruđer Bošković Institute continued on the project “AqADAPT – Adaptation of white fish farming to climate change” and the Croatian Chamber of Economy on the project “Perform FISH – Production tailored to consumers:

integrating innovative approaches for competitive and sustainable production throughout the Mediterranean aquaculture value chain”. Our cooperation is also extremely fruitful in teaching activities, as our experts regularly respond to invitations for lectures at the uni-

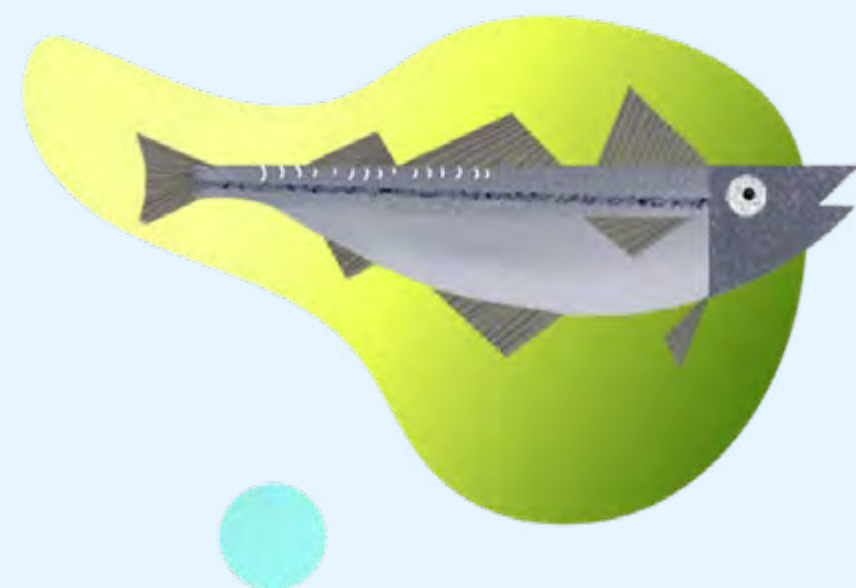
versity, but also to present the company to students of undergraduate and graduate studies. International cooperation was also achieved with the Dutch Aeres University of Applied Sciences, Italian University of Trieste and University of Udine, and Istituto Zooprofilattico

Sperimentale delle Venezie, which visited Cromaris during the year for various projects. In 2022, we also continued our long-standing cooperation with scientists from Scotland on the development of key indicators for choosing the fish with the best genetic potential.

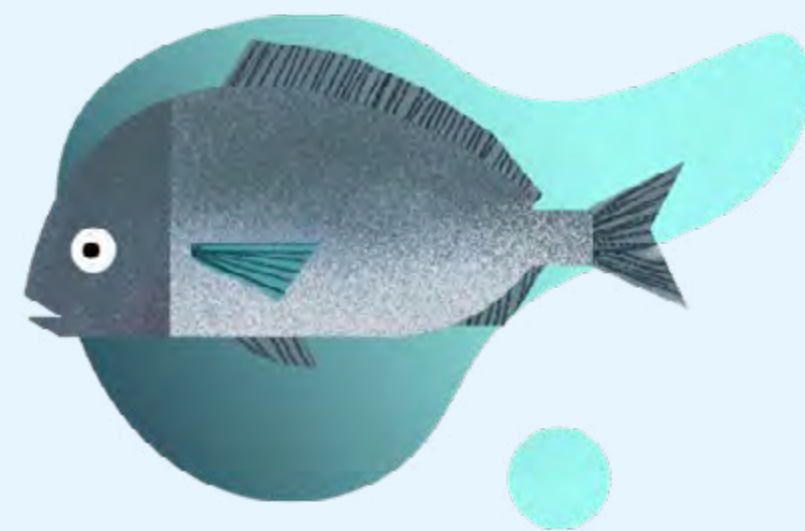


# NewTechAqua

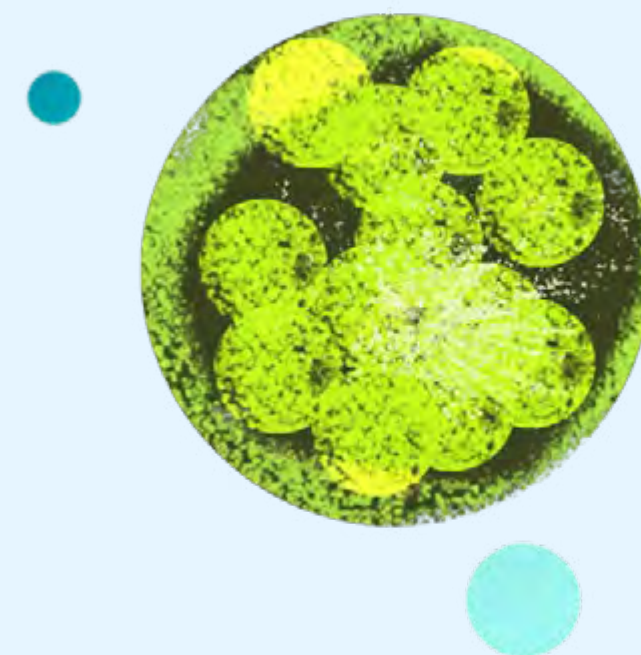
Our veterinarians continue to work with the University of Bologna (UNIBO) on the project “New Tech Aqua” (put a link that goes to <https://www.newtechaqua.eu/>) to develop new technologies, tools and strategies for sustainable, innovative, and resilient European aquaculture,



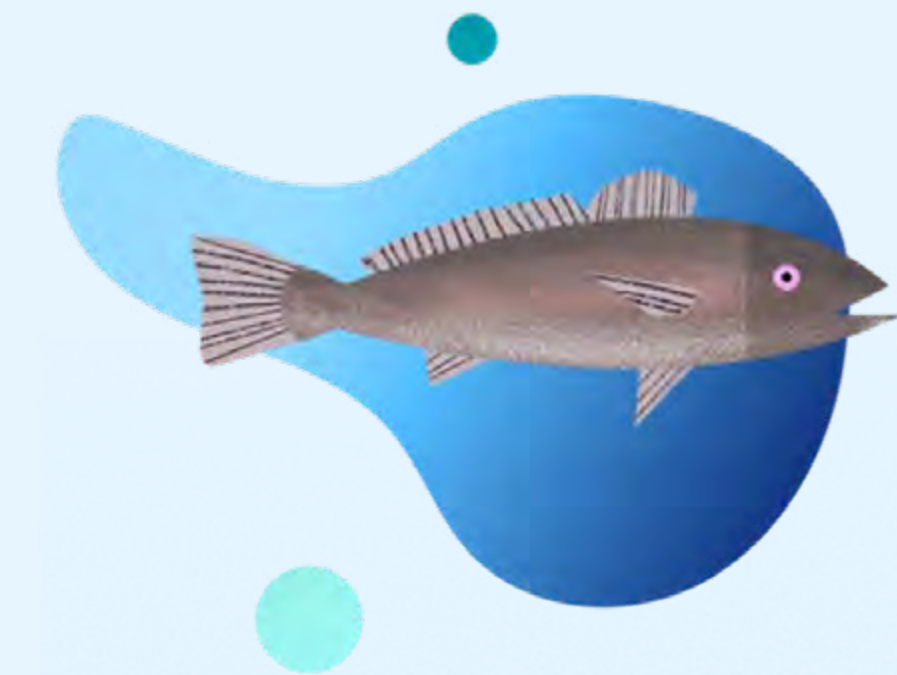
which takes place under the auspices of the European Union. The project “New Tech Aqua” for the development of zero food waste was also implemented in 2022. It brings together 26 partners, scientists, and industry representatives. Cromaris conducted tests of various



fish feed formulations on its experimental platforms at the farm in 2022. The emphasis was on testing fish feed exclusively with sustainable marine raw materials (by-products of the fish processing industry), alternative sea proteins (algae), and the like. The aim of the zero-waste food



experiment is to investigate the impact of new raw materials on the production performance of farmed fish (sea bass) and the impact of such raw materials on the organoleptic and sensory characteristics of fish.



Source: [www.newtechaqua.eu](http://www.newtechaqua.eu)



2022 goal: Supporting educational institutions

### GRI 413

During the year, Cromaris was visited by hundreds of pupils, students, and other visitors with the purpose of touring the plant, field classes, professional training, student internships, and various trainings. Pupils of the Agricultural, Food and Veterinary School Stanko Ožanić from Zadar did their internships at Cromaris in cooperation with the Research and Development Department. The internship left an extremely positive impression on some pupils, so two of the pupils decided to do their senior thesis under the mentorship of experts from Cromaris, with whom they had the opportunity to cooperate during the internship. This year we are

extremely proud of the joint work of our experts and school pupils who participated in the joint analysis and evaluation of the quality of farmed and wild fish. The school gave Cromaris its premises to maintain the sensor technology necessary to test the shelf life of the products. In cooperation with the Ministry of Agriculture, we participated in the TECHERA project. The Human Resources Department prepared and held a thematic workshop in which primary and secondary school pupils participated with representatives of the fisheries sector with the aim of familiarising pupils, future holders of economic development, with employment opportu-

nities in the field of aquaculture. Cromaris also recognises the importance of cooperation with secondary schools in the hospitality and tourism programme. Thanks to Cromaris, the classroom and the culinary cabinet of the School of Tourism and Hospitality in Zagreb were painted

with educational visual content at the beginning of 2022. Students of this school participate in domestic and international competitions, in which Cromaris helps them by donating fish. The project continues in 2023 with the cooperation with the Hotel-Tourism and Catering School Zadar.



## Responsibility to the local community and humanitarian campaigns

### GRI 413

Cromaris is the industry leader in preserving the natural environment and its partnership with the community in which it operates, primarily in the Zadar County. In doing so, it has a special sensibility for small island communities. In its socially responsible programmes, it pays special attention to encouraging environmental awareness of children, the awareness of healthy nutrition, and support for education and training in the field of mariculture and marine science. Various thematic activities, workshops, and projects are organised and equipment for schools,

kindergartens, and libraries is donated. Regular volunteer campaigns of cleaning up the coast and the sea at different locations on the islands near Cromaris farms, in which 13% of our employees participated in 2022, are part of these efforts. They are carried out in cooperation with the inhabitants and services from the islands. During the year, Cromaris employees cleaned and collected waste from several locations in Tkon, on Pašman and Iž. In cooperation with the association Ž.I.L. and the locals from Luka on Dugi otok, em-



employees and their children cleaned the coast at several locations at the end of the year – Kabli and Pećina bays, and the islet of Luški. Cromaris plans to continue with similar activities in the future. Cromaris also actively supports sports clubs. For the second year in a row, it sponsors KK Zadar, and in 2022 it became the sponsor of the younger groups of the HNK Zadar Football School. It also

**15% higher amount allocated for donations compared to last year**

sponsored sports events in the wider Zadar area, such as the trail races on Dugi otok and Pašman, the Glow run in Split, and the youth

**EKOLOŠKA AKCIJA NA DUGOM OTOKU**

Drage kolege,  
U organizaciji Cromarisa i u suradnji sa udrugom Ž.I.L. iz Luke na Dugom otoku, organiziramo čišćenje obale i morske površine u mjestu Luka.

Stoga vas pozivamo da se pridružite ekološkoj akciji i pomognete našim otočanima da imaju lijepu i čistu obalu.

Broj prijava je ograničen na maksimalno 20 ljudi stoga se požurite uloviti svoje mjesto na brodu i boravak na čistom otočkom zraku.

**DATUM**  
**Subota, 05.11.2022.**

- Polazak iz Gaženice Cromaris brodom u 8:00 h
- Povratak Cromaris brodom u popodnevnom satima u Gaženicu

Prijave na mail: [marketing@cromaris.hr](mailto:marketing@cromaris.hr) ili na broj: 091 253 0029

Vaš Cromaris

**PRIJEVOZ I HRANA OSIGURANI, PONESITE SAMO DOBRU VOLJU**

**cromaris**

football school in Zemunik. In early May, Cromaris' runners traditionally participated in the Wings for Life, an international race to find a

**NA IŽ, IDEMO NA IŽ!**

Nedaleko od otoka Iža smještena je Kudica, naše uzgajalište specijalizirano za organski uzgoj ribe. Cromaris organizira izlet na Iž kako bismo uredili okoliš uz pristanište Kudici i tako uljepšali radnu svakodnevicu svojim kolegama. Osigurane su karte za katamaran i ručak, a svi koji žele sudjelovati, mogu poslati potvrdu na mail u nastavku: [marketing@cromaris.hr](mailto:marketing@cromaris.hr) do sutra u 13:00 sati ili se javiti na broj mobitela 091 253 0928

**MJESTO RADNJE - Veli Iž**  
**VRIJEME RADNJE - subota 02.04.2022.**

**PROGRAM:**

- 10.00 - polazak katamaranom iz centra Zadra
- 10.55 - dolazak na Veli Iž
- 11.00 - druženje uz kavu
- 11.30 - transport do lokacije za rad
- 15.00 - ručak
- 16.20 - polazak katamaranom iz Velog Iža
- 18.20 - dolazak u Zadar

**CILJ**  
Uređenje okoliša uz pristanište uzgajališta

**MODUS OPERANDI**  
Druženje s kolegama, okopavanje i čišćenje raslinja te boravak na proljetnom suncu

Idemo na Iž i svojim malim doprinosom uljepšajmo radnu svakodnevicu kolegama s Kudice!

**cromaris**

cure for spinal cord injuries. In 2022, Cromaris employees marked the international "Bike to work" day for the second time.

**VOLONTIRAMO NA DUGOM OTOKU!**

Drage kolege,

Nastavno na naše volontiranje u čišćenju obale na otoku Ižu, nastavljamo sa pomaganjem lokalnoj zajednici.

Ovog puta mjesto radnje je Dugi otok!

**PRIGODA: DUGI OTOK TRAIL, SUBOTA 28.05.2022.**

**MODUS OPERANDI**  
Volontiranje na punktovima za dijeljenje hrane i pića natjecateljima utrke

- 06.00 h - polazak brodom za Zaglav iz centra Zadra
- 08.00-16.00h - volontiramo na punktovima predviđenim za dijeljenje hrane pića
- 19.00 h - povratak brodom iz Zaglava u Zadar

**Karte i ručak osigurani.**

Pokažite još jednom Cromarisovo veliko srce i prijavite se u što većem broju na mail: [marketing@cromaris.hr](mailto:marketing@cromaris.hr) ili na broj mobitela: 091 253 0029

Molimo vas da vaše prijave pošaljete do srijede 25.05.2022., do 16 h.

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We are proud of our employees in Croatia and Italy who came to work by bikes, promoting cycling as a healthy and environmentally friendly alternative to driving.

We actively connect with the local community and cooperate with tourist boards in organising various events, with the aim of promoting local heritage and customs and traditional recipes of seaside cuisine, thus helping them escape oblivion. We emphasise participation in the following events in 2022: Sushi Tuna & Wine Festival in Zadar, Gastronomaut in Nin, the Sea and Salt Festival, and Saljske užance in Sali on Dugi otok, Tunuara in Kali, and numerous fishermen's nights and other gastronomic manifestations. A systematic investment in the common (public) infrastructure is also a direct contribution to

the well-being of the community. During 2022, Cromaris invested in the renovation of the road from the settlement to the farm in the Municipality of Veli Iž and the installation of canopies for fire engines of the Tkon Volunteer Fire Department (DVD Tkon). The pavement next to the children's playground in Tkon was also renovated, while the children's playground in the Municipality of Kali was built with funds donated by Cromaris. At the beginning of 2022, when the Russian aggression against Ukraine began, Cromaris donated ten tonnes of its products in solidarity with the Ukrainian people. The shipment worth more than half a million kuna was delivered to Kharkiv in the far east of Ukraine in cooperation with the Croatian Red Cross.

## Donations in fish amounted to **13.5 tonnes in 2022, which is 34% more than in 2021**





Drage kolegice i kolege,

Kao što ste sigurno upoznati u srijedu u 11h Hrvatska nogometna reprezentacija igra svoju prvu utakmicu na Svjetskom nogometnom prvenstvu.

S obzirom da se ipak radi o najbitnijoj sporednoj stvari na svijetu odlučili smo za sve nas koji radimo u to vrijeme osigurati praćenje utakmice.

Pozivamo sve kojima radne obveze to dopuštaju da dođu u prostor za održavanje mreža (kod IT-a) kako bi zajedno pogledali utakmicu.

Prigodno je taj dan doći u Cromaris u obilježjima Hrvatske.

**Vidimo se i navijajmo zajedno.**

**HRVATSKA**

P.S. molimo rukovoditelje da na oglasne ploče stave obavijest za kolege koji nemaju pristup mailu.



# BIKE TO WORK DAY

20.5.2022.

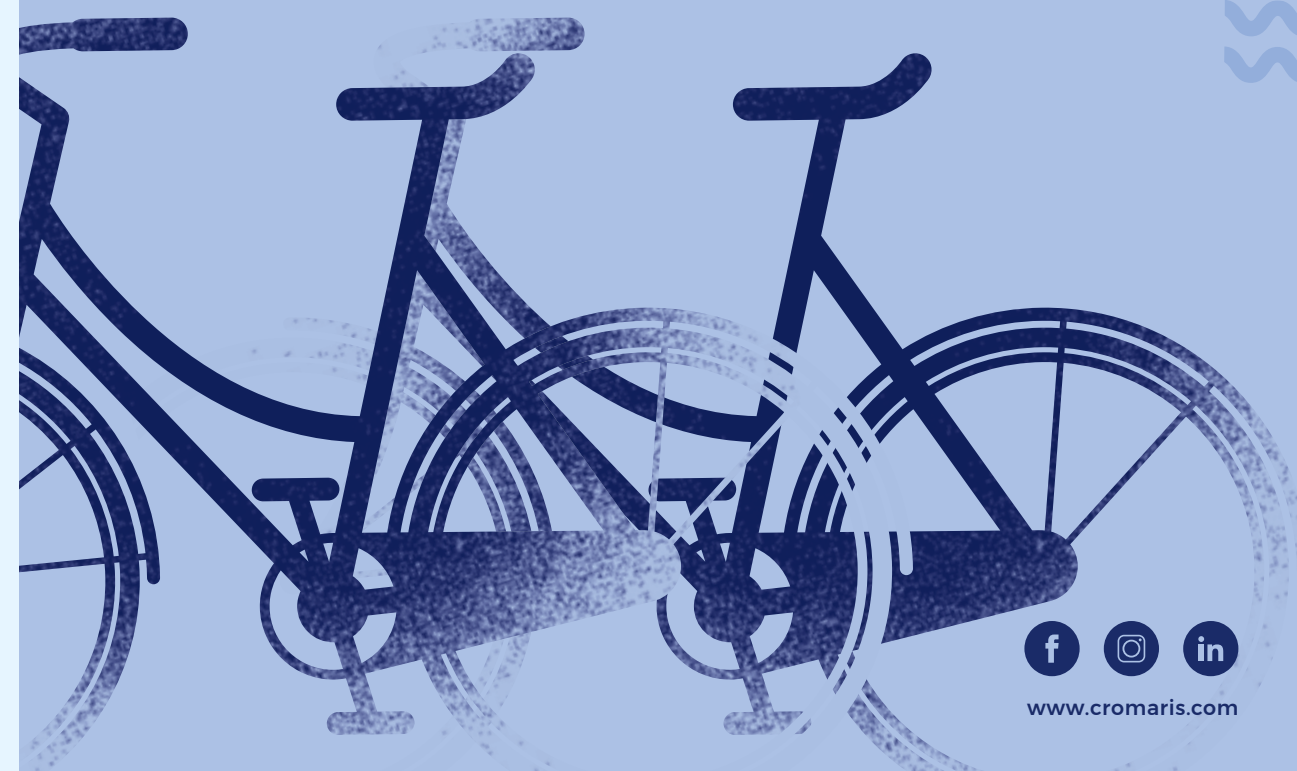
Dragi Cromarisovci,

Podržimo zajedno 20.5.2022. svjetski dan "Biciklom na posao". Našim dolaskom na posao biciklom ili električnim romobilom podržavamo inicijative za zdrav i aktivan život, te pridonosimo očuvanju naše planete. Time ujedno pridonosite i očuvanju naše planete i brinete za svoje zdravlje.

Pozivamo sve vas koji radite u Gaženici da u što većem broju dođete u petak biciklom ili romobilom na posao.

Za sve vas koji podržite inicijativu očekuju prigodni pokloni, a imamo i nekoliko posebnih iznenađenja za najsretnije. Kada dođete na posao 20.5. preuzmite svoj broj na porti u Gaženici i vidimo se na izvlačenju u pauzi za ručak u 11.30h na glavnom ulazu. Svakako su dobrodošle i ostale podružnice da nam se priključe u dolasku na posao biciklom ili romobilom.

Pošaljite nam slike vaših dvokotačnih ljubimaca. Najbolje ćemo objaviti na društvenim mrežama Cromarisa.



www.cromaris.com



Drage kolegice i kolege,

Cromaris ponosno trči u jedinstvenoj svjetskoj utrci - Wings for Life World Run.

Pridružimo se u što većem broju i budimo dio velike svjetske priče s plemenitim ciljem.

Start iz Zadra je u 13:00 sati 8. svibnja 2022. godine. Profesionalci i rekreativci trče zajedno protiv Catcher Cara koji svoju potjeru počinje 30 minuta nakon starta. Sav iznos od startnina i donacija ide izravno za istraživanja u svrhu pronalaska lijeka za ozljedu ledne moždine.

Cromaris pokriva troškove sudjelovanja svim svojim zaposlenicima. Molimo sve zainteresirane da pošalju svoju potvrdu do 25.03.2022. na mail u nastavku: [marketing@cromaris.hr](mailto:marketing@cromaris.hr) ili se jave na broj mobitela: 091 253 0928.

Ne moraš biti maratonac da bi sudjelovao, važno je dati podršku hvalevrijednom cilju, a svi oni koji neće sudjelovati u utrci, dobrodošli su dati podršku kolegama i ostalima navijajući uz stazu.

**Ponesi dobru volju i ne propusti biti dio velike svjetske utrke za dobre svrhe!**

# Cromaris' memberships in associations and professional organisations

## GRI 2-28



**LAG MARETA**  
 Cromaris is a member of the local action group representing the interests of the population of a certain area, improving the quality of life of the locals with cultural, social, economic, infrastructure, and educational projects.



**LAGUR SEAFOOD**  
 Cromaris is a member of the action group in the field of local fisheries, through which specific employee training were held on the safety of navigation and employee protection.



**FEAP**  
 (Federation of European Aquaculture Producers)  
 Representatives of Cromaris actively participate in the group of aquaculture producers at the Croatian Chamber of Economy, which operates within XFNM. XFNM supports and promotes responsible aquaculture development and enables cooperation of necessary activities for the development and improvement of aquaculture.



**MARICULTURE CLUSTER SPLIT**  
 Association representing joint interests of all farmers, and especially tuna, white sea fish, and shellfish farmers. Cromaris actively participates in the work of the association, recognises industry interests, submits proposals to state authorities, and participates in the preparation of legal regulations, harmonising the needs and interests of the industry, scientific community, and state authorities.



**CROATIAN CHAMBER OF ECONOMY (HGK)**  
 is an independent vocational and business organisation that promotes, represents, and harmonises joint interests of its members before state and other authorities in Croatia and abroad. Cromaris is a member of the HGK within the aquaculture group, which deals with key issues and the issues of farming and farmers, and coordinates activities among scientific bodies, state administration, and the economy.

# Consumer health and safety

## GRI 416

**The impact of products on the health and safety of customers/consumers is assessed continuously for all product categories.**

The following is implemented:

1. Testing the health safety of products
2. Testing the sensor parameters of products
3. Testing the nutritional parameters of products and determining the nutritional tables, which results in nutritional claims for each product category
4. Testing shelf life by product category
5. Meeting the requirements of various food safety standards which affect the health of final consumers

Ensuring the highest standards of quality, product health and safety for consumers is based on systematic risk evaluation, the measurement system, regular checks and sampling, preparation of studies and rules of procedure.

The highest standards of health protection and safety assurance of our products are confirmed by numerous certificates and labels (IFS Food Standard, Global G.A.P., Healthy Living).

In accordance with the requirements of the implemented standards and legal regulations of the EU and the Republic of Croatia, Cromaris prepares product spec-

ifications for each product category that includes all information that may affect the environment or society (name and description of the product, ingredients, nutritional parameters, i.e. nutritional values of the product, health characteristics, allergen information, information on packaging and type of packaging material, storage and distribution conditions, method of use, and shelf life). Product specifications are sent to customers. Each individual article placed on the market has a declaration that must include the name and description of the product, the ingredients, allergen information, storage conditions, and shelf life of the product,

as well as information on the packaging material and how the packaging is handled when it becomes waste. The origin of the raw material (*Farmed in Croatia*) must also be indicated on the declarations.

Cromaris is obliged to record all categories of complaints, determine the cause of non-compliance, take corrections and corrective actions if necessary for the purpose of eliminating the cause of non-compliance. Cromaris has an established protocol for product complaints and customer and consumer complaints that are received by e-mail and resolved in the Quality Control Department.

## Testing the health safety of products

### GRI 416-1

The health safety of finished products and suitability for consumption is ensured by monitoring microbiological and sensory parameters during harvesting, at the end of the production process, during and on the last day of the shelf life. The results are evaluated according to microbiological criteria that are harmonised with customer specifications and legal regulations, and the sensory evaluation is assigned according to the internal work instruction.

#### **All product categories tested for health safety and suitability for consumption in 2022 were compliant.**

In order to ensure the high quality and health safety of its products, Cromaris sends samples of all its farming species from all farms twice a year for microbiological and parasitological analysis and analysis of the presence of heavy metals, antibiotic residues, and polychlorinated biphenyls to an authorised laboratory. The results

of all analyses conducted in 2022 were compliant.

All products are sent for microbiological analysis to an authorised laboratory on a quarterly basis, and the same analysis is carried out for water for human consumption and ice. Microbiological analysis is also carried out on a quarterly basis for all surfaces that are in contact with products. All analyses are carried out in reference laboratories and in accordance with the regulations defining

food safety requirements. Plant hygiene is important for the health safety of products, and it is controlled by regular microbiological tests of the working surface and equipment. 2,395 swabs were made in the authorised external laboratory and Cromaris' internal laboratory in 2022, trend analyses are carried out for all collected data, the trend is positive, i.e. the hygiene of the plants is continuously improving.

### **IFS Food Standard version 7**

The IFS Food Standard is a recognised global quality and product safety standard for producers of private and own brands. Certified companies deliver safe, quality products in accordance with the legislation and customer specifications. In 2022, IFS Food version 7 was implemented, in which the

focus is transferred from the documentation to the inspection of the location and plants. The scoring system has been improved and better defined and, at the request of Cromaris, each IFS audit is carried out without notice. For the 8th year in a row, Cromaris has been certified according to the IFS Food Standard, with a very high score of 98.33%.

<b>Year</b>	<b>IFS Food score</b>
2015	89.38%
2016	94.40%
2017	96.06%
2018	97.31%
2019	97.81%
2020	98.49%
2021	97.26%
2022	98.33%



## Nutritional value of the products

In accordance with scientific knowledge about the beneficial effect of fatty acids (omega-3 and omega-6) from fish on human health, Cromaris wants to increase the content of these ingredients in all types of fish it produces.

About 300 chemical analyses were performed in the internal Cromaris laboratory during 2022. The composition of fatty acids in fish meat was examined, with an emphasis on the proportions of the EPA and DHA that have been proven to affect the proper development of the foetus, the functions of the nervous, ocular, immune, and cardiovascular

systems, and have a preventive effect on the development of Alzheimer's disease.

The goal of our nutrition team is to maintain products rich in omega-3 fatty acids in accordance with Regulation no. 1924/2006 of the EU Parliament and of the Council on nutritional and health claims made on product packaging. In addition to the proportion of fatty acids in the product, the ratio of omega-3/omega-6 is also regularly controlled as it should be balanced for the proper functioning of the human body.

Sea bass and sea bream have an omega-3/omega-6 ratio at the level of the set goals, and the

sum of the EPA and DHA fatty acids exceeds the set goal many times over. Organic sea bass and sea bream, meagre and organic meagre, greater amberjack, and dentex had the higher content of omega-3 than the content of omega-6. The dentex had the highest ratio of omega-3/omega-6, exceeding the value of 3:1. In addition to the chemical analyses, the internal laboratory compares Cromaris fish with the competitors' fish according to the fitness index, body shape, fat content in the abdominal cavity and meat, nutritional composition, utilisation, share of damage and deformation in order to po-

sition Cromaris fish in terms of quality compared to the competition, monitor trends, and implement constant improvements in raw materials.

The low sodium content and the low content of saturated fatty acids stand out among the nutritional parameters, which is why Cromaris fish holds the "Healthy Living" label. In 2022, all species of Cromaris fish had a high content of vitamin D, which is important for bone health and immunity, and is poorly represented in diets. The results show that daily vitamin D requirements can be met with one to two servings of Cromaris fish.

# Responsible user experience

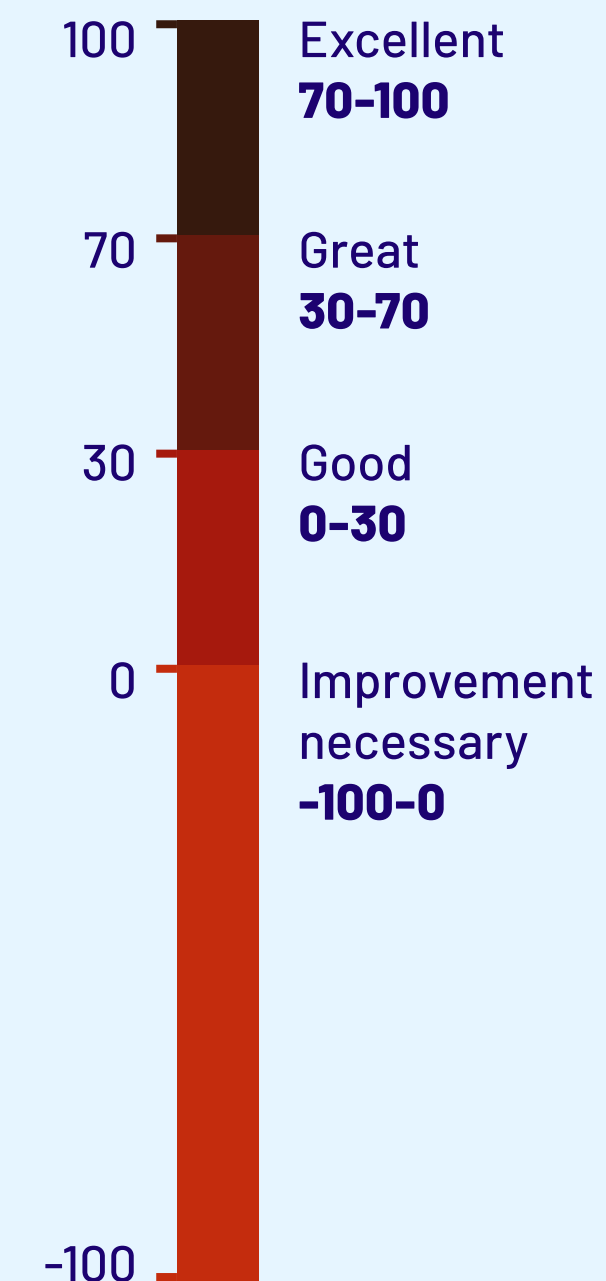
## Testing customer satisfaction in Croatia and Italy

At the end of 2022, qualitative and quantitative research was conducted among key customers/partners of Cromaris in Italy and Croatia according to the methodology that will be applied in the coming years.

Satisfaction with Cromaris is 4.00 in Croatia and 3.98 in Italy on a scale of 1 – 5, which shows that Cromaris customers are generally very satisfied with the cooperation. Of all the examined aspects, customers are most satisfied with sales representatives and products, and least

satisfied with promotional campaigns and prices. The NPS (Net Promoter Score) is the probability of a recommendation or loyalty level, and it amounted to 42 in Croatia in 2022, which is a very good result. Customers cite the quality of Cromaris products, freshness of fish and availability, and human relations as the main reasons for the high recommendations. What business partners rate a little lower is the availability of all fish sizes (“pecatura” – the number of fish per kilogram) and the price. The score in Italy is 31. Customers also emphasise the quality and superior freshness of Cromaris products, a good price-quality ratio, and quality communication.

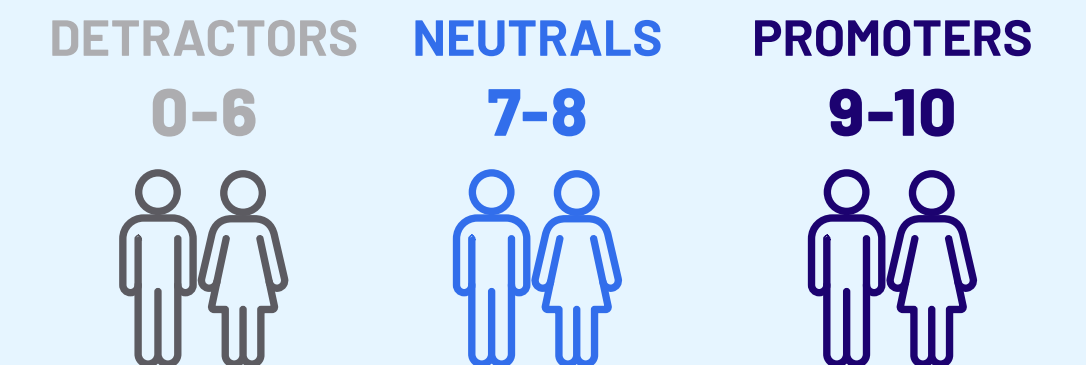
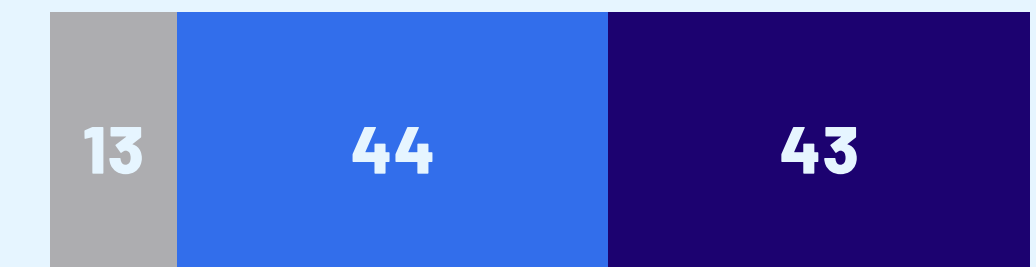
What is a good NPS score?



**Cromaris NPS Croatia 43**



**Cromaris NPS Italy 31**



## Superior Taste Award 2022.

Satisfaction with the products and their quality is also confirmed by the awards. Cromaris has been recognised for the top quality of its products one more year in a row – the world’s most prestigious award in the food segment, the Superior Taste Award, awarded by the International Taste Institute in Brussels since 2005. The products are evaluated by the so-called blind testing method, whereby judges, selected from the most prestigious European culinary associations, do not know the brand or the origin of the tested product. The products are evaluated based on appearance, smell, texture, and taste. This year Cromaris sea bass and meagre once again

received a maximum of three gold stars for exceptional taste and quality, and excellent grades were also awarded to the sea bream. Cromaris sea bass received a maximum of three gold stars for the fifth year in a row, making Cromaris the only producer of Mediterranean white fish with the prestigious Crystal Taste Award.

Thanks to their taste, texture, and appearance, our products (sea bass, sea bream, and meagre) have been awarded for the fifth year in a row by the International Taste Institute, the world’s most renowned institution for independent evaluation of food and beverages.



	Sea bass	Sea bream	Meagre
2018	90.2 / ***	86.2 / **	86.9 / **
2019	91.3 / ***	87.4 / **	88.5 / **
2020	92 / ***	88.8 / **	84.5 / **
2021	90.3 / ***	86.9 / **	90.4 / ***
2022	90.3 / ***	87.8 / **	93.1 / ***

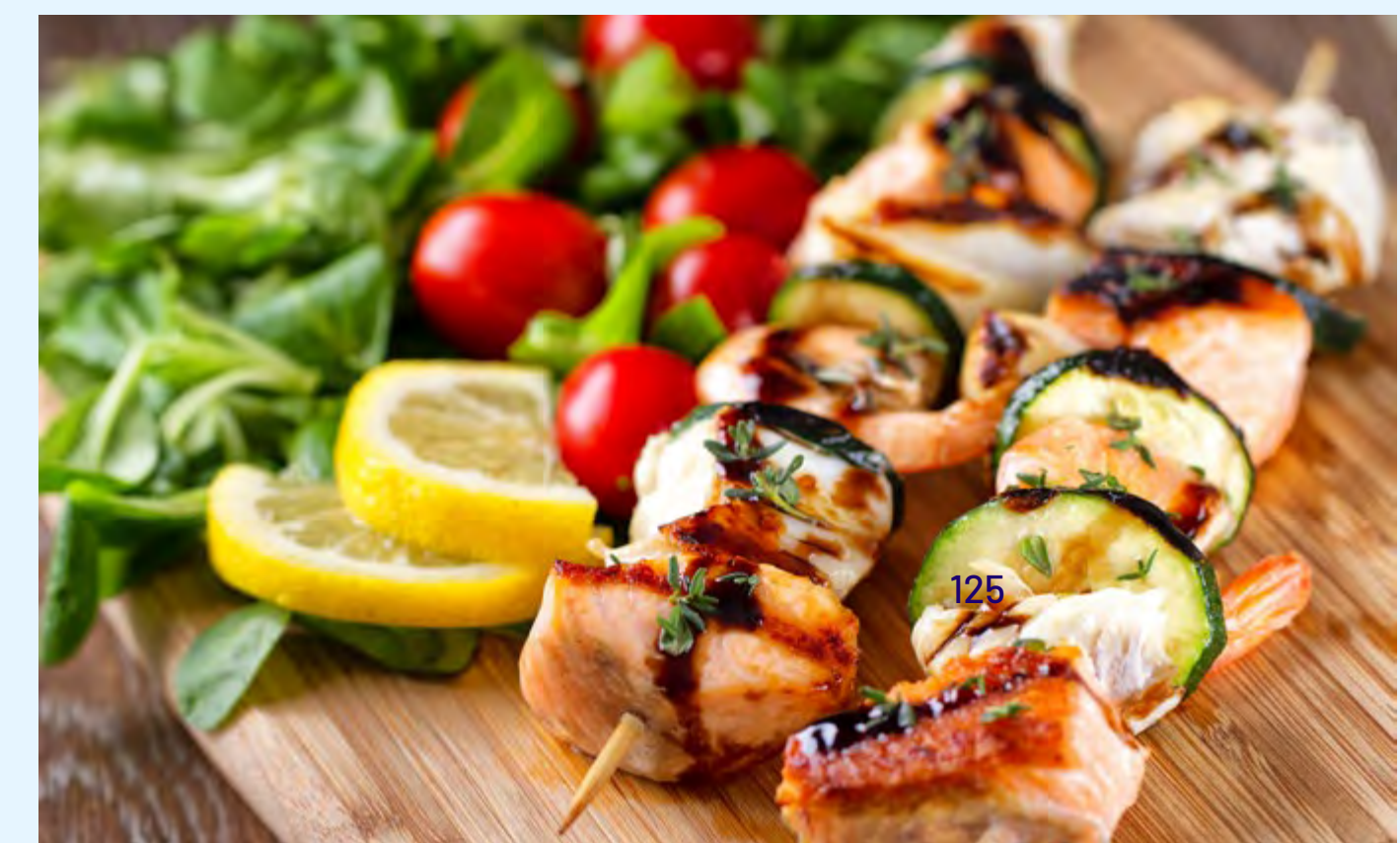
## “Fit with fit fish” campaign

Cromaris puts a lot of effort into educating its social media followers about caring for health, in which the selection of quality food plays a major role. As producers of fish with high nutritional value, our mission is to encourage our followers to make positive changes to become the best version of themselves.

Therefore, we have joined forces with those who promote such a lifestyle in the project FIT with FIT fish:

- In collaboration with the renowned nutritionist Martina Linarić, PhD, we educate our followers about the nutritional benefits of Cromaris fish.
- Fitness trainer Edin Mehmedović is here to help us point out that, with a healthy diet, exercising is a key factor in improving the quality of life.
- Lifestyle influencer Nina Martina Korbar joins our team to show what healthy eating and self-care look like in a busy everyday life.

Mirela Kardašević, the world freediving record holder, also testifies that Cromaris fish truly is healthy and, due to its nutritional composition, it is ideal even for the health of professional athletes on the way to achieving top results. The love of the sea, health, and top results connects Cromaris and Mirela, who is an excellent ambassador and promoter of Cromaris values.



## Other projects

The strategic determinants of Cromaris' business, orientation towards export markets, and the highest level of industrial efficiency, as well as the continuous growth rates of the volume sales, were recognised by the professional community this year too, so Cromaris was awarded the **Golden Basket** and the **Golden Key** recognitions. The Golden Basket is an annual award for the best achievements in retail and consumer goods industry, presented by the Ja Trgovac portal, and Cromaris is the winner of the Producer of the Year category for the second year in a row in the competition of strong domestic companies. On top of that, Cromaris generates

more than 50% of its sales in Italy, the world's largest sea bass and sea bream market. These exceptional sales results were recognised at the convention of Croatian exporters who declared Cromaris the winner of the Golden Key award in the category of Best Exporter in Italy for the third year in a row. At the same time as finding new solutions for more responsible and sustainable production, Cromaris is working intensively on campaigns to spread awareness of healthy diets based on fish and fish products from proven sources. Croats consume only 20.82 kg of fish per year on average, which is only 25% of the EU average. It is extremely

important to acquire healthy habits at an early age, so Cromaris specifically addresses children and young people. After the series of Back to School recipes tailored for younger children was published in 2021, Cromaris is now addressing those a bit older, who are already experimenting in the kitchen on their own. **The series of culinary workshops for young people aged 14+** has eliminated all misconceptions about the complexity of choosing and preparing fresh Mediterranean fish. By cooperating with influencers, Cromaris aims to reach as many consumers as possible and educate them about the nutritional composition and preparation of fish.



In 2022, Cromaris produced its own event counter to present its quality products at numerous food events, as well as the fact that thanks to numerous innovations, Cromaris fish is extremely nutritionally valuable, healthy, and tasty, and is easily and quickly prepared with the help of creative recipes inspired by the world's cuisines. At the Weekend Food Festival (April 2022) and Weekend Media Festival (September 2022) in Rovinj, Cromaris' brand ambassador prepared Asian fusion dishes from Cromaris greater amberjack and dentex, the new farming species in the portfolio. Cromaris also participated in the Food Truck Festival held in September at Jarun, where gourmands could taste creative meagre dishes for the first time.



## Did you know?

The design of our innovative SKIN packaging by Bruketa&Žinić&Grey won the silver award at the international "Graphis Packaging" competition. With this prestigious medal, Cromaris us one of the successful global brands that include companies such as PepsiCo, Moët Hennessy, Xbox, and Mars Wrigley. Graphis is a prominent New York publisher with a tradition dating back to 1944, which awards and publishes prominent projects in the field of design, advertising, photography, and illustration every year. Cromaris packaging has thus entered the Graphis repository,

## Cromaris' SKIN packaging design is among the best designed in the world!

which contains more than 150,000 award-winning projects from all over the world, as well as the Graphis yearbook which comes out of print in August and is often the subject of interest of collectors.



 cromaris

*Il Branzino*



Cromaris is part of the new edition of the popular culinary show MasterChef Italia, and Cromaris sea bass, sea bream, and meagre are among the main products used by contestants in the preparation of creative and tasty dishes. One of the members of the Masterchef jury is chef Giorgio Locatelli, with whom Cromaris launched a media campaign last year and who is the brand ambassador of Cromaris for the Italian market. It is projects such as Masterchef that will raise the awareness of Italian consumers about the Cromaris brand and enable the presentation of Cromaris products.



# Sustainable procurement



2022 goal: Integrating sustainability elements into procurement processes

## Cromaris' sustainable supply chains

In 2022, the emphasis was on the development of completely new General Procurement Conditions (GPC) and their implementation in the e-procurement system (Ensolva). These include socially responsible behaviours, such as labour and human rights, environmental protection, and safety measures as a prerequisite for the possibility of suppliers' cooperation with Cromaris. In 2022, an e-questionnaire was designed, the first phase of

which will include 10 of the most important suppliers (75% of the total purchasing volume), with questions about their commercial and production activities, but also their ESG policies and practices, impacts, carbon footprint, social responsibility, etc.

### GRI 308-1

100% of new suppliers were checked using environmental impact criteria in 2022.

### GRI 2-6

The procurement spend structure of Cromaris, as a producer and processor of sea fish, mostly

consists of fish feed (60%), investments in production equipment, transport and packaging, and maintenance. 2022 was marked by a continuous increase in fish feed prices, caused primarily by the increase in cereal prices due to the pandemic, and then by the war in Ukraine. Our business was also affected by high prices of crude oil, which caused a strong growth of almost all petroleum products, which in turn spilled over into high prices of transport and transport services, as well as styrofoam packaging.

Procurement categories	Cromaris
Raw materials for production	✓
Younger	✓
Packaging	✓
Transportation services	✓
Maintenance	✓
Small inventory and consumables	✓
Fixed assets	✓
Other costs and services	✓

## GRI 204-1

### Share of procurement from local suppliers

In its procurement, Cromaris strives to involve domestic/local suppliers as much as possible. In the procurement categories of transport, packaging, and MRO, suppliers are mainly from the territory of the Republic of Croatia. Unfortunately, this does not make the largest value component of the procurement spend, as there are no fish feed producers in Croatia. This also applies to other procurement categories that are unavailable on the local market, so we give priority to suppliers from the EU. Fish feed suppliers from Greece and Italy account for the largest share in the total procurement in 2022.

In 2022, the procurement spend was strongly influenced by gener-

al inflation (+10%), and even more strongly by the increase in fish feed prices (caused first by the increase in cereal prices due to the pandemic, and then the war in Ukraine), as well as the increase in transport prices and the prices of almost all packaging (sometimes more than 100%). Despite almost discontinued investments, the procurement spend remained at the level of 2021.

### An estimation of financial value of payments towards vendors during the reporting period

	mil. HRK
Total payments	625.90

### The share of procurement from local suppliers during the reporting period (in millions of HRK)

Country	Total yearly procurement (mil. HRK)	Total yearly procurement from local vendors (mil. HRK)
Croatia	187.3	187.3
Italy	157.9	0.0
Slovenia	1.0	0.0
Greece	243.0	0.0
Other countries	36.7	0.0
TOTAL	625.9	187.3

The total share of procurement from local suppliers during the reporting period is 30%.

### The total number of suppliers throughout the supply chain at the end of the reporting period

Cromaris Country	Total
Croatia	799
Bosnia and Herzegovina	1
Serbia	4
Macedonia	0
Italy	29
France	13
Other countries	123
TOTAL	969



2022 goal: Continued cooperation only with FSC-certified cardboard suppliers for our packaging

All our suppliers of cardboard packaging in 2022 are certified according to the FSC (Forest Stewardship Council) standard. We want our products to be packaged as sustainably as possible, and the use of FSC cardboard brings us one step closer to achieving that goal. 22.9% of cardboard packaging was made of 100% recycled cardboard in 2022. 76.6% of cardboard packaging made of

60% of recycled cardboard was used in 2022. One of the goals set for 2023 is to improve the packaging management system, for the purpose of setting guidelines, so that we would use packaging with a minimal impact on the environment and develop product packaging in accordance with the guidelines of sustainable business.

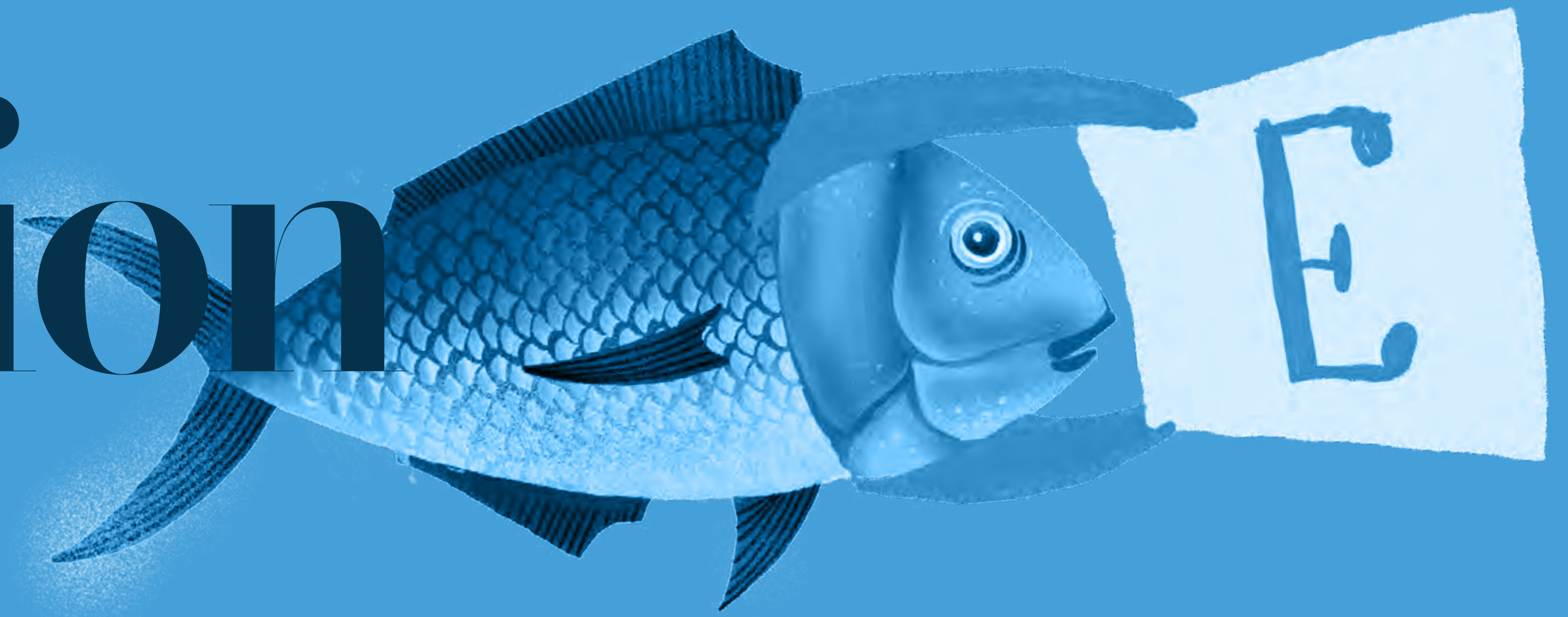
### Project – Portfolio Value Optimisation

Plastic packaging ensures food safety, but the fact that millions of tonnes of plastic end up in nature and the seas is certainly a concern. As a result of the “TP09-Portfolio Value Optimisation” project within the Transformation Programme in 2022, instead of the MAP product “Sea Bream 720 g”, customers were offered the MAP equalised product “Sea Bream 600 g” and the MAP variable product “Sea

Bream 550-650 g”, which are packaged in smaller PET trays. By optimising the packaging, the share of plastic in the packaging per unit of product was reduced by 38%. According to the volume of sales of this product, the amount of plastic placed on the market was **reduced by 21.2 tonnes**. The change in the weight of the packaging also resulted in the reduction of the used cardboard material by 18.5%.

Responsibility for  
environmental

protection



# Introduction to environmental management

The business policy (Quality, Food Safety, Environmental Protection, and Social Responsibility Policy) adopted and systematically applied by Cromaris highlights environmental care as one of the most important principles of corporate social responsibility. Systematic environmental protection and more responsible use of natural resources is a strategic determinant of our company. Good quality of all parameters measured in the sea column, high level of dissolved oxygen and clean sea and sea bottom, without pollutants and plastic, are

the desired characteristics of the environment in which we want to farm our fish, as Cromaris depends on healthy sea. Cromaris has been certified according to ISO 14001 (Environmental Management System) since 2011. ISO 14001 specifies requirements for a company to proactively identify and understand the environmental aspects of its activities and products and the associated environmental impacts. Environmental system coordinators and their deputies have been appointed at all Cromaris locations. Year af-

ter year, environmental goals and programmes are set, and environmental aspects that have or may have an impact on the environment are identified and evaluated. Each site has an operational contingency plan in case of emergency and sudden pollution. Employee training and exercises in case of mentioned extraordinary events are also carried out on an annual basis. Despite the potential impact, we run our business with the goal of preserving biodiversity and marine habitats. We monitor our impact on the environment, adhere

to voluntary sustainability certificates that take into account biodiversity (ASC and Global GAP), prevent escapes, use raw materials from sustainable sources in fish feed, work on activities to reduce greenhouse gas emissions, and turn to recyclable materials in production in order to reduce all types of waste.

**Numerous certificates that Cromaris holds confirm activity in accordance with nature (ISO 14001, GlobalGAP, Aquaculture Stewardship Council).**

In 2022, Cromaris participated in the development of guidelines for sustainable aquaculture within the FEAP Working Group (“Technical criteria for the verification of sustainable aquaculture: contribution to EU market standards, towards a sustainable EU food system and taxonomy”). 16 technical screening criteria and 35 indicators have been developed, which should ensure that no material damage is caused (“do no harm” principle) in relation to environmental and social goals.

Responsibility and commitment to sustainability, primarily in relation to the environment, is a prerequisite for business success and a competitive advantage of Cromaris. The core activity, farming, takes place in the sea and is part of the marine ecosystem, so the protection of the sea and the marine environment is an imperative for business.



# Reduction of carbon footprint

## Cromaris greenhouse gas emissions

### GRI 305-1, 305-2, 305-3

Companies' first step in successfully managing greenhouse gas emissions is calculating emissions and setting up a base (starting) year. **Cromaris selected 2020, when it first calculated greenhouse gas emissions in cooperation with the Energy Institute Hrvoje Požar, as the base year.** A Carbon Footprint Management Strategy was also developed in 2020, and the Action plan for reducing greenhouse gas emissions has been in force since

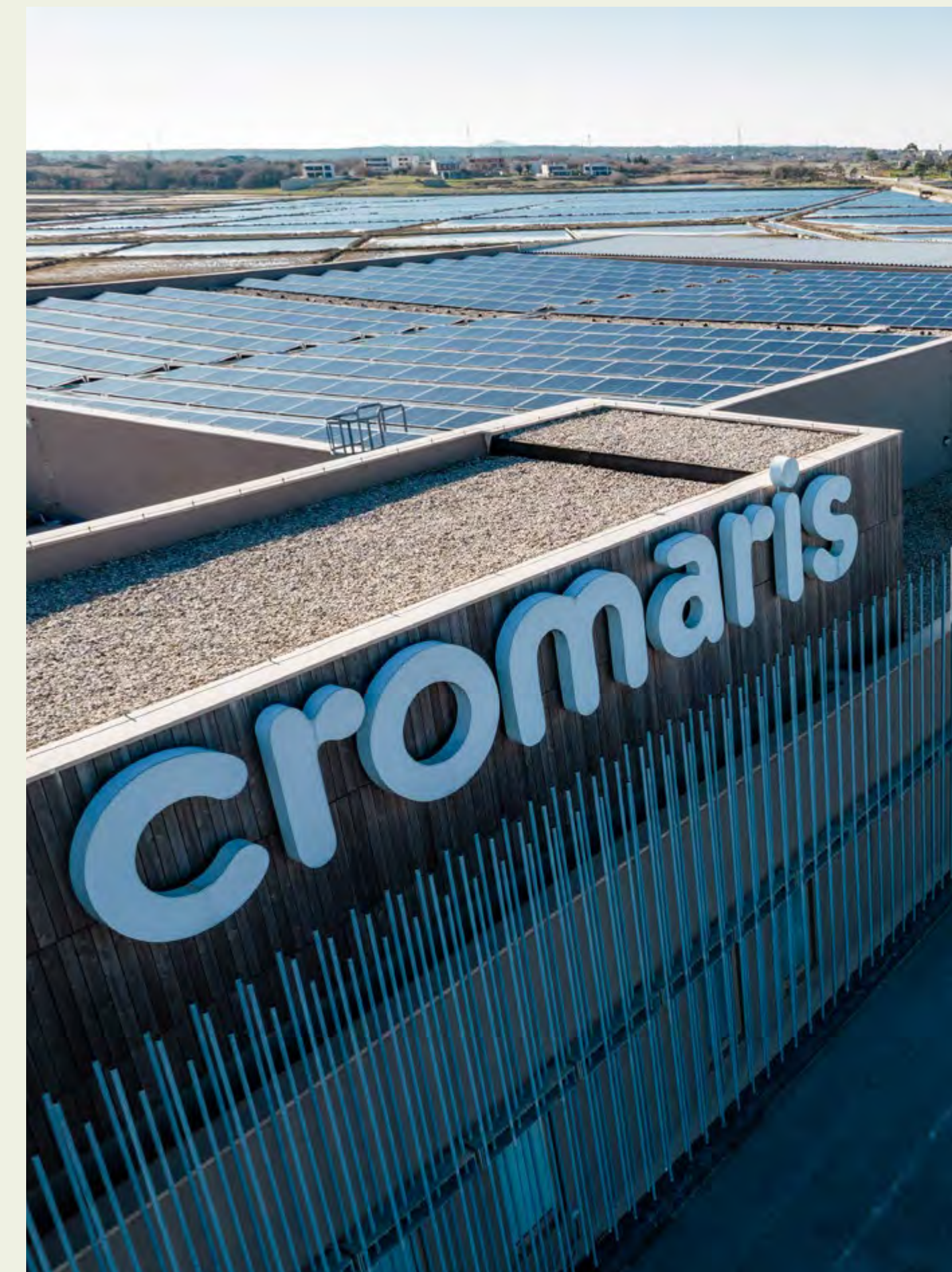
2020 and is regularly updated by adding new measures. An operational control approach has been chosen for corporate reporting.

### Greenhouse gases included in the calculation and emission factors

Emission factors from the methodological manual of the Intergovernmental Panel on Climate Change (IPCC) were used for the calculation of direct greenhouse gas emissions from the company's business units for 2022. Fugitive emissions of the active substance R404A and emissions of CH<sub>4</sub> and

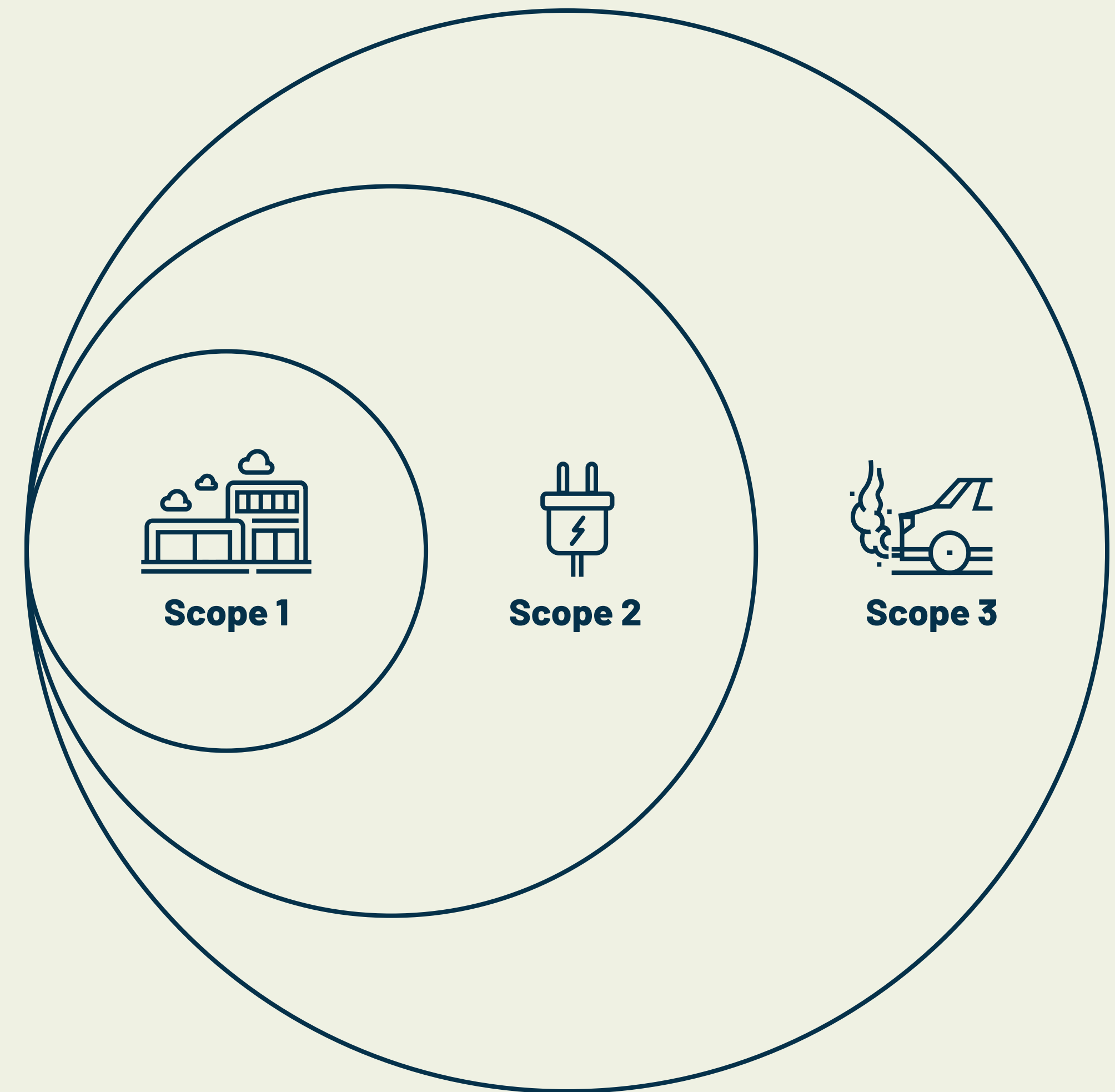
N<sub>2</sub>O were reduced to equivalent CO<sub>2</sub> emissions, using the global warming potential for a 100-year period, which is taken from the IPCC's 4th report and amounts to 25 for CH<sub>4</sub>, 298 for N<sub>2</sub>O, 3,922 for R404A, while for CO<sub>2</sub> it amounts to 1. **CO<sub>2</sub> emissions account for about 99% of the total greenhouse gas emissions of Cromaris.**

According to the European Environment Agency, the specific greenhouse gas emission factor for electricity production in Croatia for 2021 was 138 g CO<sub>2</sub>e/kWh, and in Italy 247 g CO<sub>2</sub>e/kWh. Data for 2022 were not available until the moment of writing the report, so emission factors for 2021 were used.



In accordance with the GHG protocol (Greenhouse Gas Protocol) and ISO 14064-1:2018 standard, in the calculations for 2022 in Scopes 1 and 2 and 3, the following are included:

1. **Direct greenhouse gas emissions of Scope 1** (Category 1) that occur at the company's locations, due to the combustion of fuels in stationary and mobile energy sources and due to losses of refrigerant in the cooling systems,
2. **Indirect greenhouse gas emissions of Scope 2** (Category 2) that arise outside the company's locations and are related to the procurement and electricity consumption,
3. **Part of the indirect greenhouse gas emissions of Scope 3** (Category 4) that occur outside the company's locations and are related to fish feed production.



**Emissions of greenhouse gases from the activities of Scope 1 and Scope 2 amounted to 6,445.9 t CO<sub>2</sub>e for Cromaris in 2022.**

In 2022, the organisational and emission calculation limits were extended to Cromaris Italia and leased warehouses which were used during 2022. Regardless of the increase in volume in 2022, total emissions were 7.8% lower than emissions in the previous 2021, but 5.9% higher compared to the base year 2020.

Until recently, the companies' focus was exclusively on emissions from their own operations (Scope 1 and 2) of the GHG protocol. Companies are increasingly aware of the need to also take into account greenhouse gas emissions throughout their

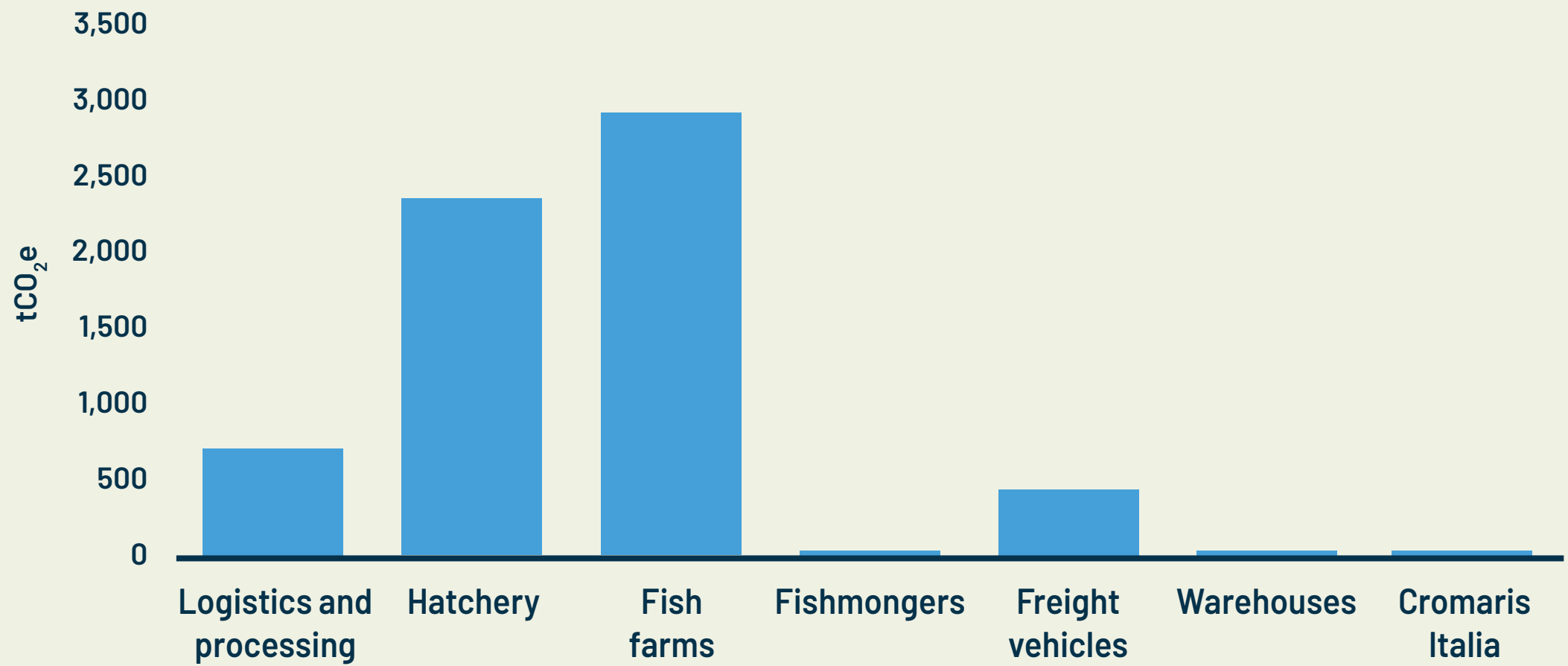
value chains and product portfolios to comprehensively manage risks and opportunities associated with greenhouse gases. In 2022, Cromaris measured the emissions from Scope 3 related to fish feed suppliers, which also account for the largest share of Cromaris' procurement.

The largest contributors to Cromaris' greenhouse gas emissions are farms (45.1%), followed by the hatchery (36.4%), logistics and processing (11.0%), freight vehicles (6.7%), Cromaris Italia (0.4%), fishmongers (0.4%), and leased warehouses (0.1%), as shown in the graph.

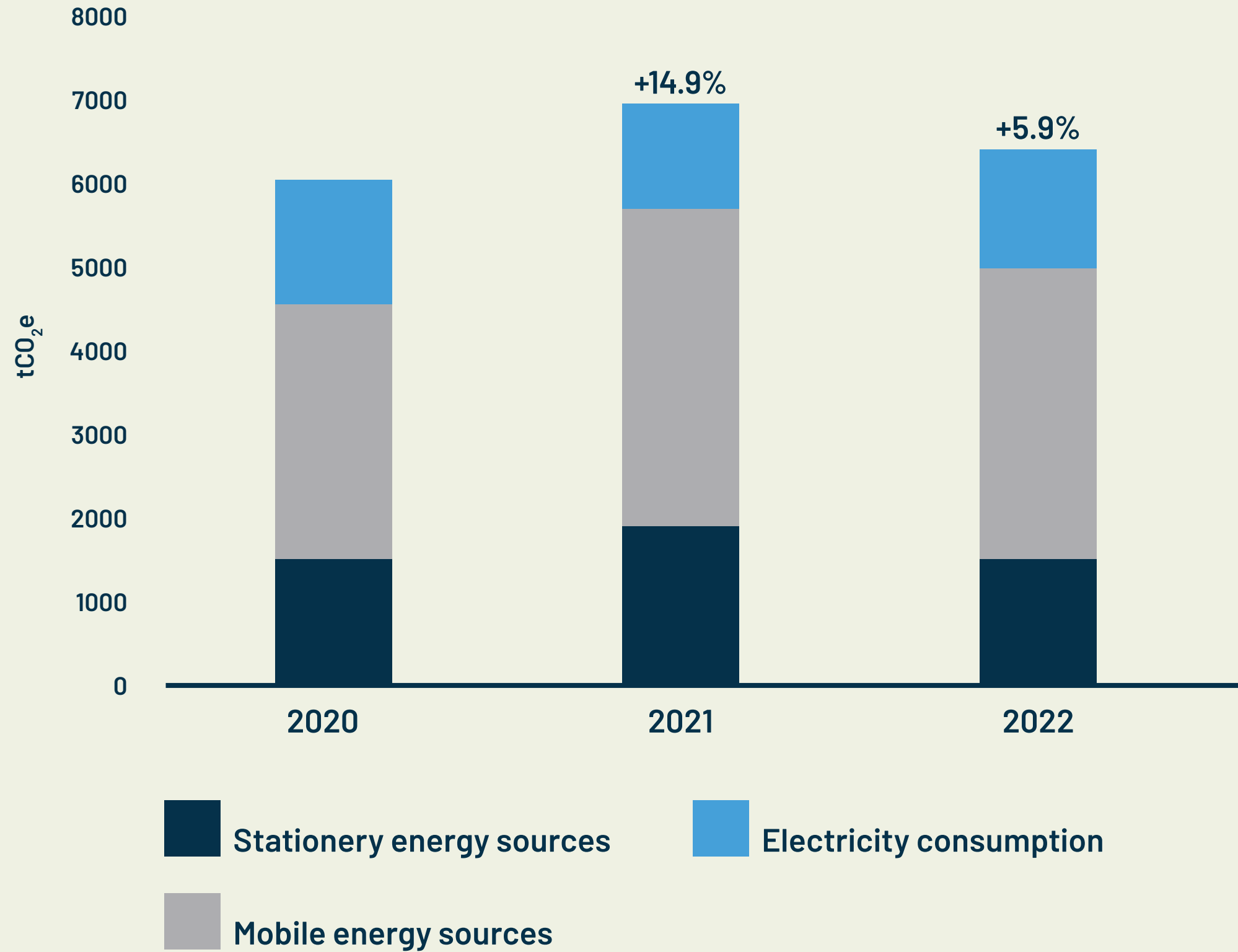
**In the plan for 2023, are preparations for expansion in scope 3**

<b>Indicators</b>	<b>Measurement unit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Specific emission by ton of manufactured fish	t CO <sub>2</sub> e / t WFE	0.626	0.584	0.508
Cromaris greenhouse gas emissions (Scope 1 + Scope 2)	t CO <sub>2</sub> e	6,086.9	6,992.7	6,445.9
Scope 1	t CO <sub>2</sub> e	4,635	5,738	5,036
Scope 2	t CO <sub>2</sub> e	1,452	1,255	1,409
Scope 3 (fish feed vendors)	t CO <sub>2</sub> e	/	43,053.8	39,535.5

**Contribution of Cromaris business units greenhouse gas emissions in 2022.**



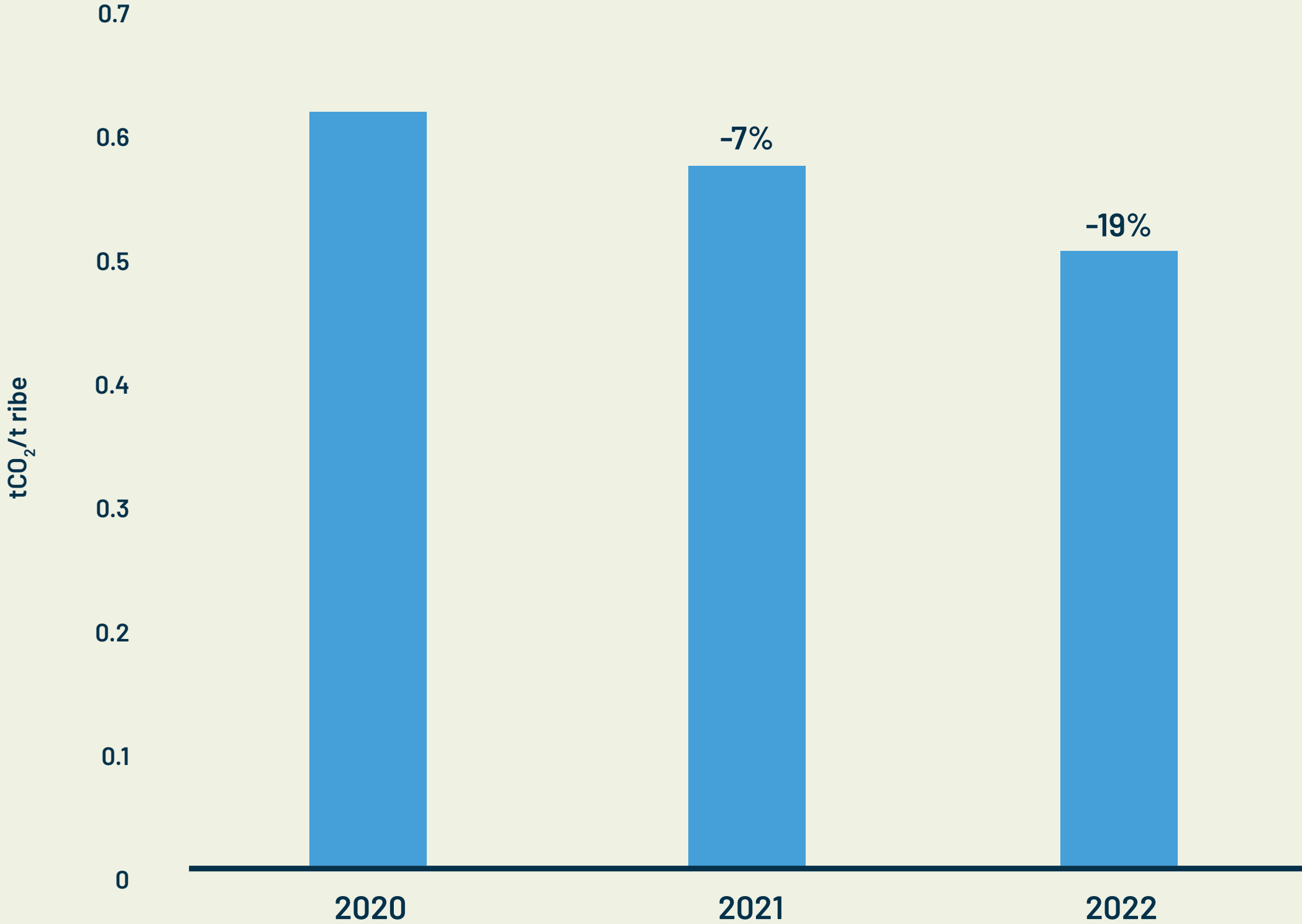
**Greenhouse gas emissions by emission sources in 2020., 2021. and 2022.**



**GRI 305-4**

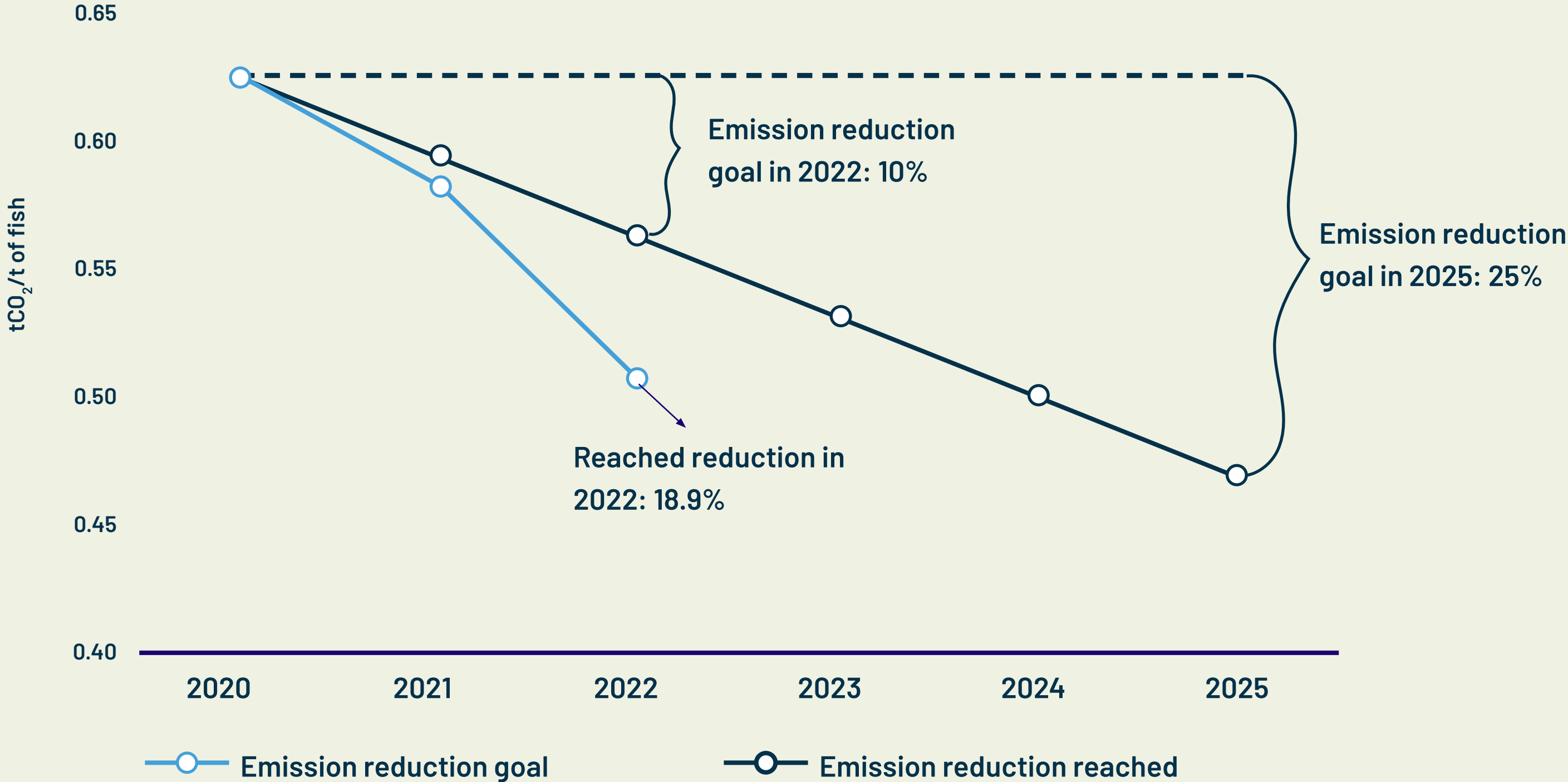
By comparing the specific greenhouse gas emissions (per tonne of fish produced) from 2020 to 2022, it is evident that the specific emissions per tonne of fish produced in 2022 **decreased by 19% compared to the base year 2020**. According to the Action plan for reducing greenhouse gas emissions, the target reduction of specific emissions is 25% by 2025.

<b>Indicator</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Specific emission per tonne of produced fish (t CO <sub>2</sub> e / t WFE)	0.626	0.584	0.508



**GRI 305-5**

The long-term goal of Cromaris is to achieve carbon neutrality. This can be achieved primarily through the implementation of measures at Cromaris sites, by achieving a significant reduction in greenhouse gas emissions per tonne of fish produced (60 – 90% in 2050). The remaining greenhouse gas emissions, which cannot be avoided, would be annulled by purchasing carbon offset credits. In any case, it is first necessary to exploit the potential of our own measures to reduce emissions.



The existing **air conditioning chamber** in the hatchery was replaced with a new one of high energy efficiency.

The **project of optimisation and management of the fleet of vehicles and vessels (Fleet Management)** began at the end of 2022, within which measuring equipment will be installed on all Cromaris' freight vehicles, all barges, and the two largest ships.

In 2022, Cromaris' official vehicle fleet has **five hybrid vehicles**.

The test phase of the **new photovoltaic power plant**, which enables the direct conversion of solar energy into electricity, began in Cromaris, and it is located on the roof of the hatchery in Nin. With a capacity of 700 kW, it will meet 20% of the hatchery's needs for electricity.

**Tyres were replaced on one freight vehicle with those of higher energy classes.**

## Carbon footprint reduction measures implemented in 2022

During 2022, Cromaris implemented activities and measures related to higher energy efficiency, proposed by the *Action plan for reducing greenhouse gas emissions*.

In the hatchery, **36 existing lighting fixtures were replaced with LED lighting**. By replacing fluorescent lamps with LED lamps, energy consumption is reduced by up to 50%.

A **photovoltaic (PV) system** was installed at the new warehouse in Gaženica, which began operating in June 2022. PV modules SOLVIS FNM SV120-375 E F HC9B and inverter SMA SUNNY BOY 3.0-1AV-41 were used. In 2022, 2,234 kWh of electricity was produced and all of it (100%) was consumed on site, without direct greenhouse gas emissions.

In accordance with the guidelines for saving energy in the Republic of Croatia (based on the recommendations of the European Commission and the REPowerEU plan), Cromaris adopted and implemented **measures for a more rational use of electricity in office and production areas**.

**Potential solutions for the introduction of hybrid or electric vessels** in Cromaris' fleet were sought, and workshops were held on the topic of reducing fuel consumption in the fleet.

Beginning of operations of a **new warehouse of finished products and a substation in Gaženica** with built-in elements that contribute to better energy efficiency and sustainability – the cooling system uses an environmentally acceptable working substance (propane) with a low GWP (global warming potential) factor, transformers with lower energy losses, PV system on the roof, LED lighting throughout the facility.

**Reduction of fuel oil consumption in the hatchery by 22%** due to more efficient operation of heat pumps and increased effect of waste recovery.

## Energy consumption in Cromaris

### GRI 302-1, 302-3

The total energy consumption of Cromaris in 2022 was 104.0 TJ, while the specific energy consumption per tonne of fish was 8.19 GJ/t of fish. Total fuel consumption within the organisation from non-renewable sources. In 2022, 2,234 kWh of electricity from renewable sources was produced in

Gaženica and everything was consumed on the site. The production and consumption of energy from renewable sources in 2022 is negligible and amounts to only 0.02%. The tasks of energy supervision and the use of energy products are performed by maintenance managers in business units. The consumption of all energy sources in Cromaris, in which blue diesel, fuel oil, and electricity account for the largest share, is systematically managed and monitored.

Energy consumption (GJ)	2021	2022
Stationary sources	25,811.10	20,528.50
Mobile source	50,869.20	46,686.00
Electric energy	33,757.60	36,753.80
Total	110,438.00	103,968.30



# Waste management

## GRI 306-1, 306-2

The first steps for responsible waste management are the prevention of waste generation and separate waste collection. Hazardous and non-hazardous waste is sorted and stored in properly marked storages at all Cromaris locations. The circular economy aims to reuse, repurpose, and recycle existing products and materials for as long as possible in order to create additional product value and a longer life cycle. This has a positive impact on the environment, reducing

the consumption of energy and raw materials, as well as the generation of waste and its harmfulness. Recycling of these materials is not carried out within the company, but they are taken away by authorised collectors. Responsible waste management, i.e. promoting the recycling and reuse of materials, is a priority at Cromaris. This reduces the total amount of waste shipped to landfills. By separating plastic films, cardboard, trays,

styrofoam cases, municipal waste is reduced. Also, the total volume of bulky waste cardboard and paper is reduced by press containers within the Gaženica processing and logistics centre. There are numerous benefits of the press container – waste is disposed of once a month instead of three times a week as before, which results in a reduction in greenhouse gas emissions, improved hygiene and organisation of the circuit, saves time, space and labour.

An example of good waste prevention practice is our request to fish feed suppliers not to additionally wrap the bags with plastic wrap, which becomes waste immediately upon arrival in Cromaris. After use, bags containing fish feed are sold and used in construction and agriculture. A part of the bags that is damaged and not suitable for sale is handed over to an authorised collector for recycling, i.e. used for the production of new materials.

It is important to recognise that there are types of waste that cannot be recycled but can be reused for another purpose. The sludge from the purifier in the processing plant is taken over by the company that uses it to create raw materials suitable for covering landfills and filling forest roads.

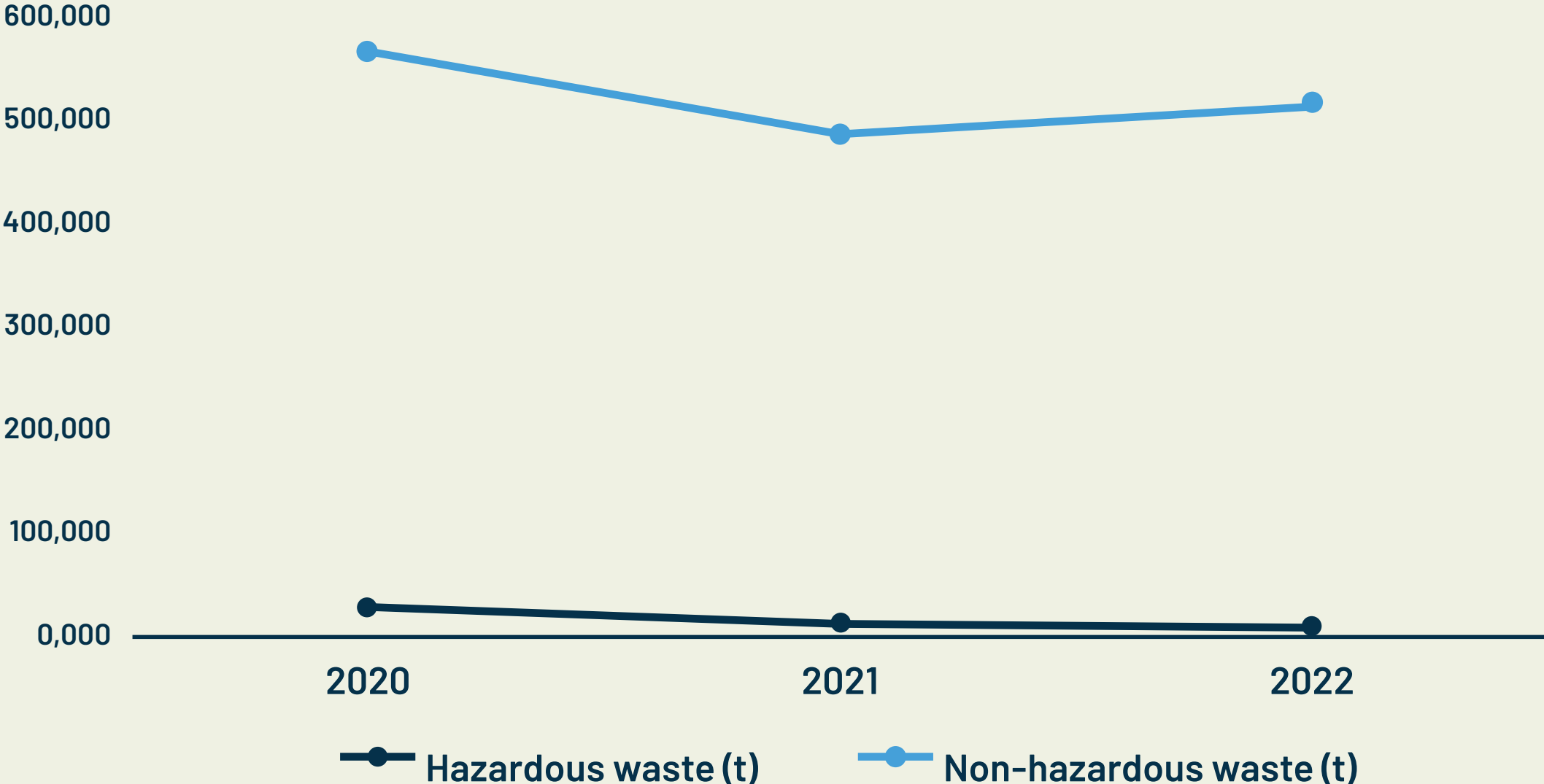
Monitoring of waste data is carried out using accompanying sheets issued to an authorised collector by the company and registers made according to certified accompanying sheets, based on which an analysis of the total disposed and recycled waste is performed each year.



**GRI 306-3, GRI 306-4, GRI 306-5**

The quantities of total waste produced, in the table below, refer to all Cromaris locations.

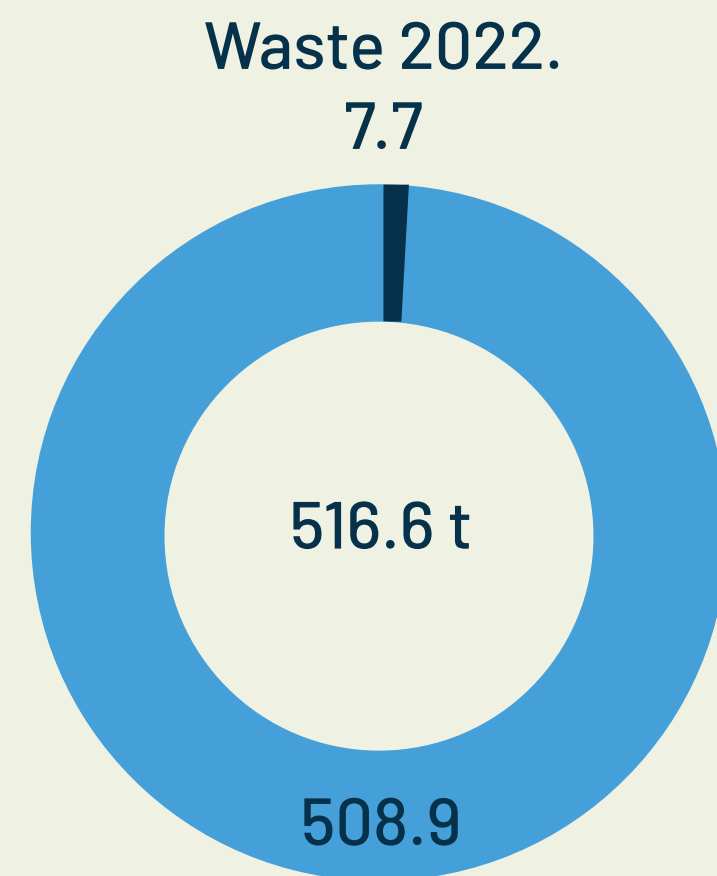
	<b>Measuring unit</b>	<b>2020.</b>	<b>2021.</b>	<b>2022.</b>
Hazardous waste	tonne	26.6	12.6	7.7
Non-hazardous waste	tonne	557.8	481.6	508.9
Total	tonne	584.3	492.2	516.6
Share of hazardous waste	%	4.5	2.6	1.5



Hazardous waste in Cromaris primarily refers to waste oil and lubricants and lead batteries, which are generated by servicing machines and devices.

78% of the total non-hazardous waste produced in Cromaris is recovered and recycled after separate collection. 36% of the hazardous waste (IT equipment, fluorescent tubes, lead batteries) is recovered, i.e. disassembled into components and used for the production of new materials.

Category	MU	Waste quantity
Non-hazardous recyclable waste	tonne (t)	395.13
Non-hazardous non-recyclable waste	tonne (t)	113.78
Hazardous recyclable waste	tonne (t)	2.78
Hazardous non-recyclable waste	tonne (t)	4.89



Hazardous waste share  
 Non-hazardous waste share

100% of the collected plastic, paper, and cardboard packaging is removed from all Cromaris locations by authorised collectors and is further recycled.

Key waste number	Category	Waste name	MU	2021	2022
15 01 01	Non-hazardous waste	Paper and cardboard packaging	tonne (t)	25.47	29.11
15 01 02	Non-hazardous waste	Plastic packaging	tonne (t)	43.85	68.91

## Animal by-products

Food waste has been a major obstacle to achieving global food security and environmental sustainability for decades. The reduction of food waste has a significant impact on several UN Sustainable Development Goals, including Goal 2 – a world free of hunger and Goal 12 – responsible Consumption. Goal 12 aims to significantly reduce waste generation by 2030 by preventing

or reducing food losses in production and supply chains, i.e. by reprocessing and reusing waste.

Since 2019, Cromaris has been contributing to the circular economy by turning production “waste” into a valuable resource. By-products of fish processing and cleaning and fish of inadequate quality are sold as raw materials for the production

of pet food. The nutritional value of by-products makes them a suitable raw material in the dog and cat food industry.

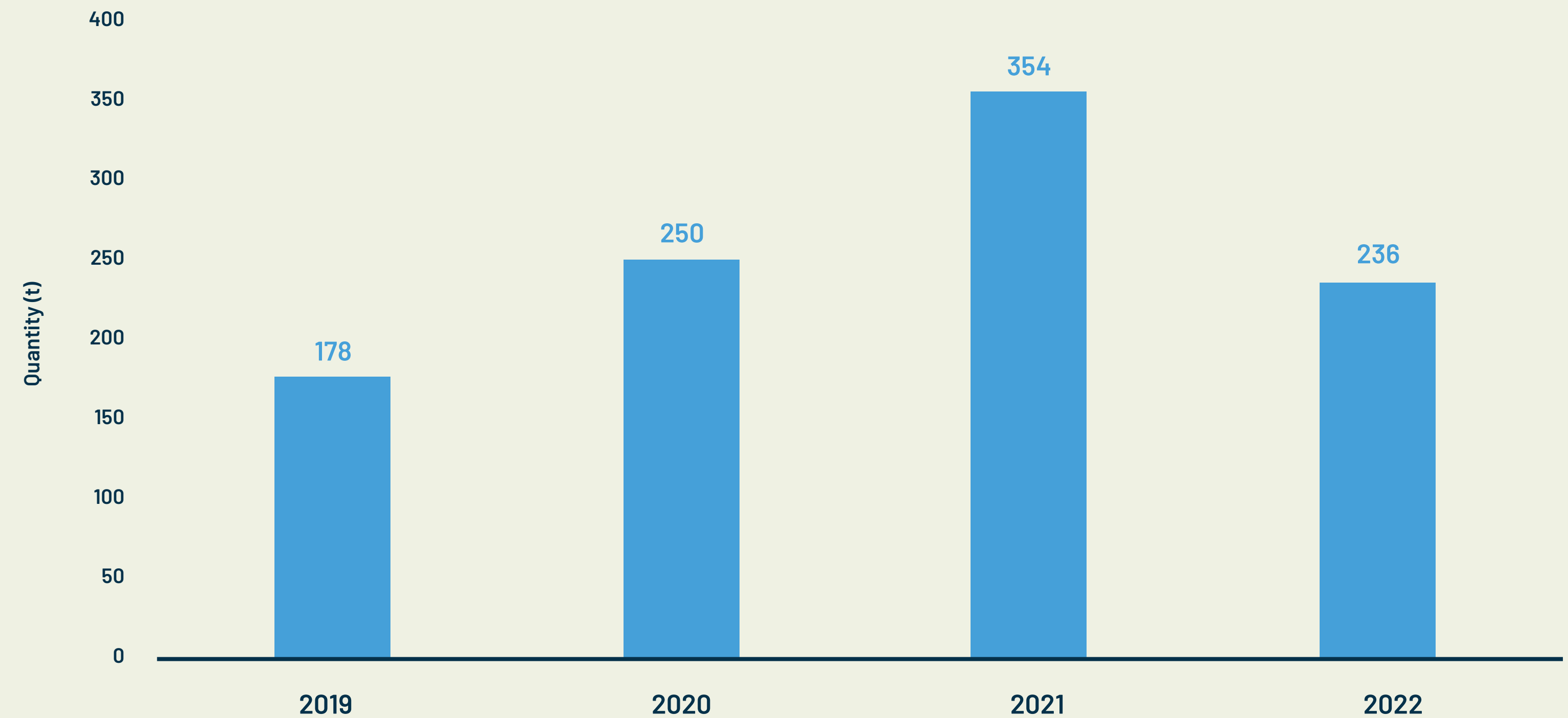
Due to problems with the preparation of raw materials and dispatch, a smaller amount of processing by-products was sold than planned in 2022. At the end of 2022, cooperation with a new buyer began, a contract was signed for 2023, whereby

all quantities of animal residues from processing will be delivered for use in the pet food industry, and a significant increase in quantities sold is expected compared to the previous years. Good management extends the lifespan of by-products, while at the same time reduces the amount of waste that needs to be disposed of.

### Did you know?

The EU Commission has put in place an action plan to reduce food waste. One of the initiatives, which does not compete with the supply of food banks, is to exploit the value of nutrients in food that, due to commercial reasons, production difficulties or certain shortcomings, is no longer intended for human consumption, by safely using it for animal nutrition, without endangering animal and human health.

Sales of processing confiscations (t)



# Protection of biodiversity

## Monitoring the effects on the environment

### GRI 304-2

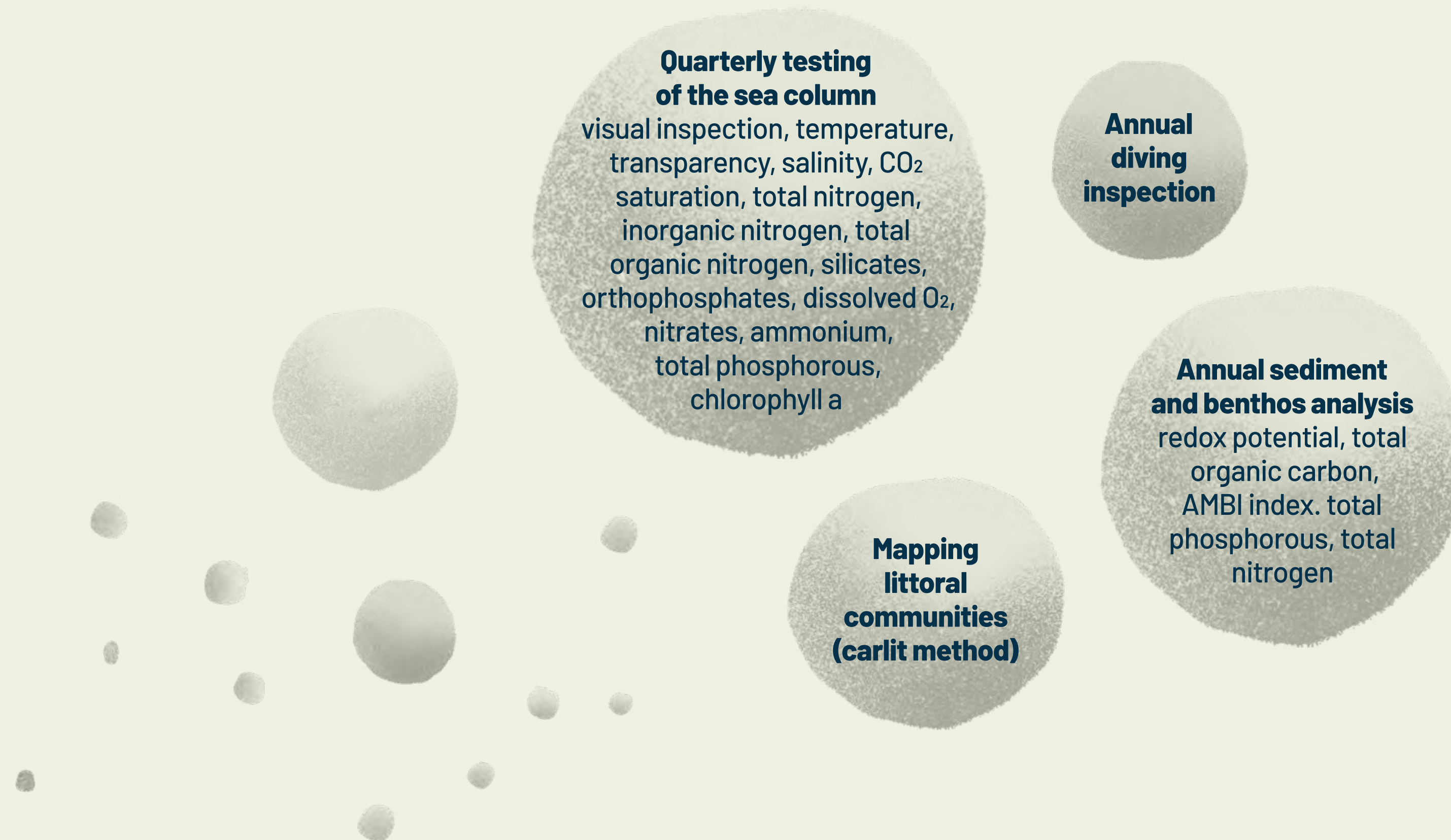
Human and business activities have a strong impact on biodiversity, so it is important to become aware and better understand their impacts, to involve stakeholders and to make decisions and changes that protect biodiversity at the local, regional, and global levels. When properly managed, aquaculture can make a significant contribution to the ecological objective of protecting and restoring biodiversity and ecosystems by providing food and reducing the pressure on fish stocks and restoring them.

Cromaris' cage farming takes place in the marine environment, is part of the ecosystem, and guarantees desirable farming parameters by reducing the environmental impact. To ensure this, Cromaris conducts measurements, biological dive inspections, and annual monitoring of the state of the marine environment, including the sea column and the sediment. Since 2019, annual analyses of the biodiversity of benthos and its status have been additionally carried out. Sediment samples are taken during peak biomass and analysed in an accredited laboratory. Diving inspections determine the state of the seabed. All positive regulations in the field of maritime navigation, farming activities, vessel maintenance, and good practices and regulations related to the proper dis-

posal of waste are respected. As a result of fish farming activities, biocenosis forms on the seabed, characteristic for areas near fish and shellfish farms and fouling communities on mariculture installations (G.3.8.4 Infralittoral communities under maricultural interventions; G.3.8.4.1 Fish farms; G.3.8.4.2 Shellfish farms; G.3.8.4.3 Fouling communities on mariculture installations). Due to the presence of organisms that can serve as bioindicators of the impact of fish farming on farms in 2022, the prevalence of *Holothuria* sea cucumbers, *Mytilus galloprovincialis* mussels, *Paracentrotus lividus* sea urchin, and *Marthasterias glacialis* or *Astropecten aurantiacus* starfish was observed. The presence of these species and the impact of farming activities is visible

only in a limited area (under the cages themselves and up to about 30 metres from the cages), it indicates a highly localised impact of the farm activities on the marine environment, while the remaining part has the composition of communities common for the part of the Adriatic in which it is located. By optimising feeding and farming processes, the impact of the work of the farm in the form of emissions of organic matter and the impact on biodiversity is minimised. According to the results of the annual monitoring from 2022, this state indicates good care of farmers for proper feeding, no impact on legally protected and endangered species was recorded, and the state of the marine environment around the farm is identical to those from previous years of research.

## Annual monitoring at farms includes:



**The impact on the environment that arises from the operation of the farm is reversible, which means that after the cessation of the operation of the farm and the removal of farming installations, the state of living communities, which are under the impact, will return to their original state after a certain time period.**

**GRI 304-1, GRI 304-4**

Cromaris farms are not located in protected areas of nature determined by the Nature Protection Act. High Conservation Value Areas (HCVA) are not located near the farms. An impact assessment was made with an emphasis on biodiversity, which also includes records of endangered species (according to the IUCN list and the Red Book of Marine Fish of Croatia) that reside near Cromaris farms, and the threat status is revised on an annual basis according to the data available on the IUCN Red List (<https://www.iucnredlist.org/>).

Cromaris farms are located near the following areas of the Natura 2000 ecological network:

<b>Area code</b>	<b>The Natura 2000 ecological network areas</b>	<b>Nearby farm</b>	<b>Area description, species</b>
HR3000419	J. Molat - Dugi - Kornat - Murter - Pašman - Ugljan - Rivanj - Sestrunj - Molat	Farm Košara Farm Lamjana Farm Velo žalo Farm Kudica Farm Žman Farm Lavdara	Common bottlenose dolphin/flooded or partially flooded sea caves, reefs
HR3000473	Babuljaši and the surrounding reefs	Farm Košara	Reefs
HR2000522	Port of Budava - land	Farm Budava	Forests 9340 <i>Quercus ilex</i> and <i>Quercus rotundifolia</i>
HR2001388	Budava	Farm Budava	Land snail <i>Vertigo moulinsiana</i>



## Interactions with wild species

We strive to reduce the impact on plant and animal species that reside, i.e. interact with Cromaris farms to a minimum. In its farms, Cromaris does not use devices for acoustic harassment of predators. Particular attention is paid when installing a protective net on fish cages. The suffering of animal species on farms is prevented by the careful tightening of protective nets, increased cage surveillance, patching and modification of protective nets, and by the work of dedicated employees who regularly release birds entangled

in protective nets. In 2022, part of the cover nets was replaced with more efficient ones made from a different material and with smaller mesh size at the Košara farm, which was recognised as the riskiest location due to the vicinity of Vransko jezero (approx. 9.5 m air distance), and the plan is to replace the others in 2023 in order to minimise interactions with birds. Scarecrows in the shape of birds of prey have been installed on several cages in order to reduce the number of birds near the farming area.



## Fish escapes from the cage

In order to prevent fish escaping from the cages at Cromaris farms, anchorages, cages, and nets are regularly inspected. On an annual basis, external experts additionally inspect the condition of anchoring systems at all Cromaris farms. According to the prescribed procedures, preventive inspection is mandatory before and after severe weather. Cromaris also has its own station for the service nets due for inspection,

testing the breaking strength of each net, and repairs, before returning them to the cages. Data on the fish escapes for all Cromaris farms are published annually on the company's website, as part of the ASC report. The last recorded escape occurred in 2019, as a result of extreme weather, and the largest damage was recorded at the Žman farm.



# GRI standard

GRI Standard	Disclosure number	Disclosure description	Location
GRI 2: General Disclosures 2021	2-1	Organizational details	9
	2-2	Entities included in the organization's sustainability reporting	9
	2-3	Reporting period, frequency and contact point	11
	2-5	External assurance	11
	2-6	2-6 Activities, value chain and other business relationships	46, 130
	2-9	Governance structure and composition	12
	2-12	Role of the highest governance body in overseeing the management of impacts	55
	2-13	Delegation of responsibility for managing impacts	55
	2-14	Role of the highest governance body in sustainability reporting	55
	2-28	Membership associations	118
GRI 3: Material Topics 2021	2-29	Approach to stakeholder engagement	60
	3-1	Process to determine material topics	57
GRI 204: Procurement Practices 2016	3-2	List of material topics	58
	204-1	Proportion of spending on local suppliers	131
GRI 302: Energy 2016	302-1	Energy consumption within the organization	143
	302-3	Energy intensity	143
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	152
	304-2	Significant impacts of activities, products and services on biodiversity	150
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	152
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	136
	305-2	Energy indirect (Scope 2) GHG emissions	136
	305-3	Other indirect (Scope 3) GHG emissions	136
	305-4	GHG emissions intensity	140
	305-5	Reduction of GHG emissions	141
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	144
	306-2	Management of significant waste-related impacts	144
	306-3	Waste generated	146
	306-4	Waste diverted from disposal	146
	306-5	Waste directed to disposal	145
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	130
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	102
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	97
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	106
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	107
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	107
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	113, 114
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	119, 120
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	-

